

1 AN ACT relating to venue in civil actions that include the Commonwealth or its  
2 agencies.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. KRS 5.005 is amended to read as follows:

5 (1) An action challenging the constitutionality of any legislative district created by this  
6 chapter shall be brought in the Franklin Circuit Court or in the Circuit Court of  
7 any county in which any part of a challenged district may be located~~[, which shall~~  
8 ~~have exclusive venue in all matters relating to redistricting].~~

9 (2) The Secretary of State shall be named as a defendant in any action challenging the  
10 constitutionality of any legislative district created by this chapter.

11 (3) The Legislative Research Commission may intervene as a matter of right in any  
12 action challenging the constitutionality of any legislative district created by this  
13 chapter.

14 ➔Section 2. KRS 6.130 is amended to read as follows:

15 If a fine is imposed under KRS 6.080, it may be collected by action in the~~[ Franklin]~~  
16 Circuit Court in the county where the person resides by the Attorney General, in the  
17 name of the Commonwealth, and the proceedings shall be the same as in civil cases  
18 instituted by the Commonwealth for the collection of debt.

19 ➔Section 3. KRS 6.666 is amended to read as follows:

20 (1) The commission shall have jurisdiction over the administration of this code and  
21 enforcement of the civil penalties prescribed by this code.

22 (2) The commission shall have jurisdiction over the disposition of complaints filed  
23 pursuant to KRS 6.686.

24 (3) The commission may administer oaths; issue subpoenas; compel the attendance of  
25 witnesses and the production of papers, books, accounts, documents, and testimony;  
26 and have the deposition of witnesses taken in the manner prescribed by the  
27 Kentucky Rules of Civil Procedure for taking depositions in civil actions. If a

1 person disobeys or refuses to comply with a subpoena, or if a witness refuses to  
2 testify to a matter regarding which he may be lawfully interrogated, the ~~Franklin~~  
3 Circuit Court of any county where the witness may be found may, on application  
4 of the commission, compel the obedience by proceedings for contempt as in the  
5 case of disobedience of a subpoena issued from the Circuit Court or a refusal to  
6 testify in Circuit Court. Each witness subpoenaed under this section shall receive  
7 for his attendance the fees and mileage provided for witnesses in Circuit Court,  
8 which shall be audited and paid upon the presentation of proper vouchers sworn to  
9 by the witness.

10 (4) The commission may render advisory opinions in accordance with KRS 6.681.

11 (5) The commission shall promulgate administrative regulations in accordance with  
12 KRS Chapter 13A to implement this code.

13 (6) The commission shall prescribe and provide forms for reports, statements, notices,  
14 and other documents required by this code.

15 (7) The commission shall determine whether the required statements and reports have  
16 been filed and, if filed, whether they conform with the requirements of this code.  
17 The commission shall promptly give notice to the filer to correct or explain any  
18 omission or deficiency.

19 (8) Unless otherwise provided in this code, the commission shall make each report and  
20 statement filed under this code available for public inspection and copying during  
21 regular office hours at the expense of any person requesting copies of them and at a  
22 charge not to exceed actual cost, not including the cost of staff required.

23 (9) The commission may preapprove leases or contracts pursuant to KRS 6.741.

24 (10) The commission shall compile and maintain a current index organized  
25 alphabetically by name of legislative agent and name of employer of all reports and  
26 statements filed with the commission in order to facilitate public access to the  
27 reports and statements.

- 1 (11) The commission shall preserve all filed statements and reports for at least two (2)  
2 years from the date of receipt.
- 3 (12) The commission shall provide to the Legislative Research Commission and each  
4 member of the General Assembly a list of every legislative agent and employer  
5 registered with the commission, including the name of each entity he represents and  
6 the date of his registration. The list shall be furnished on or before the tenth day of  
7 every month. Changes in the lists shall be furnished on Friday of each week that the  
8 General Assembly is convened in regular or extraordinary session.
- 9 (13) Upon the sine die adjournment of a regular session of the General Assembly, the  
10 commission shall provide to the Registry of Election Finance a list of each person  
11 who was registered as a legislative agent or employer at any point during the period  
12 in which the General Assembly was convened in regular session. Upon the  
13 convening, and within fifteen (15) days after the sine die adjournment of, any  
14 extraordinary session, the commission shall provide to the Registry of Election  
15 Finance a list of each person who was registered as a legislative agent or employer  
16 at any point during that period.
- 17 (14) In order to carry out the provisions of this code, the commission may contract with  
18 any public or private agency or educational institution or any individual for research  
19 studies, the gathering of information, the printing and publication of its reports,  
20 consulting, or for any other purpose necessary to discharge the duties of the  
21 commission.
- 22 (15) The commission may conduct research concerning governmental ethics and  
23 implement any public educational programs it considers necessary to give effect to  
24 this code.
- 25 (16) No later than December 1 of each year, the commission shall report to the  
26 Legislative Research Commission on the commission's activities in the preceding  
27 fiscal year. The report shall include, but not be limited to, a summary of

1 commission determinations and advisory opinions. The report may contain  
2 recommendations on matters within the commission's jurisdiction.

3 (17) No later than July 1 of each odd-numbered year, beginning July 1, 1995, the  
4 commission shall submit a report to the Legislative Research Commission which  
5 shall contain recommendations for any statutory revisions it deems necessary.

6 (18) All funds received by the commission from any source shall be placed in a trust and  
7 agency account for use by the commission in the administration and enforcement of  
8 the provisions of this code. Funds in the trust and agency account shall not lapse.

9 ➔Section 4. KRS 6.691 is amended to read as follows:

10 (1) The Kentucky Rules of Civil Procedure and the Kentucky Rules of Evidence shall  
11 apply to all commission adjudicatory hearings. All testimony in a commission  
12 adjudicatory proceeding shall be under oath. All parties shall have the right to call  
13 and examine witnesses, to introduce exhibits, to cross-examine witnesses, to submit  
14 evidence, and to be represented by counsel and any other due process rights,  
15 privileges, and responsibilities of a witness appearing before the courts of the  
16 Commonwealth of Kentucky. Before testifying, all witnesses shall be given a copy  
17 of the regulations governing commission proceedings. All witnesses shall be  
18 entitled to be represented by counsel.

19 (2) Any person whose name is mentioned during adjudicatory proceedings of the  
20 commission and who may be adversely affected thereby may appear personally  
21 before the commission on the person's own behalf, with or without attorney, to give  
22 a statement in opposition to such adverse mention or file a written statement of that  
23 opposition for incorporation into the record of proceeding.

24 (3) All adjudicatory proceedings of the commission carried out pursuant to the  
25 provisions of this section shall be public, unless the members vote to go into  
26 executive session in accordance with KRS 61.810.

27 (4) Within thirty (30) days after the end of an adjudicatory proceeding pursuant to the

1 provisions of this section, the commission shall meet in executive session for the  
2 purpose of reviewing the evidence before it. Within thirty (30) days after  
3 completion of deliberations, the commission shall publish a written report of its  
4 findings and conclusions which shall be based on whether the person accused has  
5 complied with the statute as written.

6 (5) No penalty provided for in this section shall be imposed except as the result of an  
7 adjudicatory proceeding held upon the filing of a complaint. Notwithstanding the  
8 administrative penalties provided for in KRS 6.797, 6.807, and 6.821, the  
9 commission, upon a finding pursuant to an adjudicatory proceeding that there has  
10 been clear and convincing proof of a violation of this code, may:

- 11 (a) Issue an order requiring the violator to cease and desist the violation;
- 12 (b) Issue an order requiring the violator to file any report, statement, or other  
13 information as required by this code;
- 14 (c) In writing, publicly reprimand the violator for potential violations of the law  
15 and provide a copy of the reprimand to the presiding officer of the house in  
16 which the alleged violator serves;
- 17 (d) In writing, recommend to the house in which the violator serves that the  
18 violator be sanctioned as recommended by the commission, which may  
19 include a recommendation for censure or expulsion;
- 20 (e) Issue an order requiring the violator to pay a civil penalty of not more than  
21 two thousand dollars (\$2,000); or
- 22 (f) Revoke the registration of any legislative agent or employer for a period not to  
23 exceed five (5) years. During the period of the revocation, the agent or  
24 employer or any other entity which constitutes nothing more than the  
25 legislative agent or employer operating under a different name or identity shall  
26 not be permitted to register as a legislative agent or employer.

27 (6) The commission may refer to the Attorney General, county attorney, or

1 Commonwealth's attorney of the appropriate jurisdiction, for prosecution evidence  
2 of criminal violations of this code. The Attorney General shall have responsibility  
3 for all prosecutions under the law and may request from the commission all  
4 evidence collected in its investigation.

5 (7) Findings of fact or final determinations by the commission that a violation of this  
6 code has been committed, or any testimony related to the commission's findings of  
7 fact or final determinations, shall not be admissible in criminal proceedings in the  
8 courts of the Commonwealth of Kentucky. Evidence collected by the commission  
9 may be used in a criminal proceeding if otherwise relevant.

10 (8) Any person found by the commission to have committed a violation of this code  
11 may appeal the action to the Franklin Circuit Court or the Circuit Court of the  
12 county where the person resides. The appeal shall be initiated within thirty (30)  
13 days after the date of the final action of the commission by filing a petition with the  
14 court against the commission. The commission shall transmit to the clerk of the  
15 court all evidence considered by the commission at the public hearing. The court  
16 shall hear the appeal upon the record as certified by the commission.

17 ➔Section 5. KRS 6.920 is amended to read as follows:

18 (1) The committee, while in the discharge of its official duties, shall have the following  
19 additional powers:

20 (a) To subpoena and examine witnesses; to require the appearance of any person  
21 and the production of any paper or document; to order the appearance of any  
22 person for the purpose of producing any paper or document; and to issue all  
23 process necessary to compel such appearance or production. When such  
24 process has been served, the committee may compel obedience thereto by the  
25 attachment of the person, papers or records subpoenaed;

26 (b) If any person fails or refuses to testify or furnish documentary evidence  
27 concerning any matter with respect to which the committee desires

1 information pertaining to the studies in which it is engaged, the ~~Franklin~~  
2 Circuit Court of any county where the witness or the evidence may be found,  
3 on application of the committee, may compel obedience by proceedings for  
4 contempt as in the case of disobedience of a subpoena issued from the Circuit  
5 Court or a refusal to testify therein;

6 (c) To administer oaths to witnesses appearing before the committee when, by a  
7 majority vote, the committee deems the administration of an oath necessary  
8 and advisable as provided by law; and

9 (d) To determine that a witness has perjured himself by testifying falsely before  
10 the committee, and to institute appropriate penal proceedings as provided by  
11 law.

12 (2) Each witness who appears before the committee by its order, other than officer or  
13 employee of the state, shall be entitled to the fees and mileage provided for  
14 witnesses in civil cases in Circuit Courts, which shall be audited and paid upon the  
15 presentation of proper vouchers sworn to by such witnesses and approved by the  
16 chairman of the committee.

17 ➔Section 6. KRS 7.110 is amended to read as follows:

18 (1) The Commission, its co-chairmen or director, any other member of the General  
19 Assembly authorized by the director, or any employee authorized by the director,  
20 shall have access to all public records as provided in KRS 61.870 to 61.884, of  
21 every agency, division or department of state government, and of any agency or  
22 institution, public or private, which has been the recipient of public funds. The  
23 Commission, its co-chairmen or director, any other member of the General  
24 Assembly authorized by the director, or any employee authorized by the director,  
25 may utilize automated data processing procedures and equipment in the accession of  
26 public records, if such records exist in machine readable form. To effect the  
27 purposes of this section, the Commission shall promulgate such rules and

1 regulations relating to the accession of public records as are necessary. The  
2 Commission, its co-chairmen or director, any other member of the General  
3 Assembly authorized by the director, or any employee authorized by the director,  
4 may require information on oath of any person touching any matter which he is  
5 instructed to investigate, study or audit, and shall have the power to subpoena  
6 witnesses and records for such purpose, and otherwise compel the giving of  
7 evidence of any matter under study. If any person fails or refuses to testify or  
8 furnish documentary evidence concerning any matter with respect to which the  
9 Commission desires information pertaining to the studies in which it is engaged, the  
10 ~~Franklin~~ Circuit Court **of any county where the witness or the evidence may be**  
11 **found**, on application of the Commission, may compel obedience by proceedings  
12 for contempt as in the case of disobedience of a subpoena issued from the Circuit  
13 Court or a refusal to testify therein. Every witness so subpoenaed under this section  
14 shall receive for his attendance the fee and mileage provided for witnesses in civil  
15 cases in Circuit Court, which shall be audited and paid upon the presentation of  
16 proper vouchers sworn to by the witness and approved by the Commission.

17 (2) All state agencies and institutions shall cooperate with the Commission to effectuate  
18 the purposes of KRS 7.090 to 7.110 and shall submit copies of their annual or  
19 biennial reports to the Commission.

20 (3) The Commission shall encourage and arrange conferences with officials of other  
21 states and of other units of government; carry forward the participation of this state  
22 as a member of the Council of State Governments, both regionally and nationally,  
23 and formulate proposals for cooperation between this state and other states. The  
24 Legislative Research Commission shall function as Kentucky's commission on  
25 interstate cooperation in carrying out the program of the Council of State  
26 Governments as it relates to Kentucky.

27 (4) The Commission shall designate persons to represent Kentucky at the National

1 Conference of Commissioners on Uniform State Laws. The Commission shall  
2 report the findings and recommendations of the national conference to the General  
3 Assembly. Any funds appropriated to the commissioners on uniform state laws shall  
4 be paid out on vouchers approved by the director of the Commission.

5 (5) The Commission may establish such subcommittees and advisory citizens'  
6 committees as may be convenient or desired for the proper and efficient  
7 performance of its functions. Members of the General Assembly other than those  
8 who are members of the Commission designated to serve on subcommittees shall  
9 receive the same travel allowances and compensation for attending meetings as they  
10 do for attending meetings during a session of the General Assembly, except that  
11 each General Assembly member who is a chairman of a joint interim committee of  
12 the Legislative Research Commission shall be paid, in addition to such allowances  
13 and compensation, ten dollars (\$10) per day for each committee meeting that he  
14 chairs.

15 (6) The Commission shall report its findings, either with or without recommendations,  
16 to the Governor of the Commonwealth, and to each member of the General  
17 Assembly at least thirty (30) days prior to the convening of each regular session of  
18 the General Assembly.

19 ➔Section 7. KRS 7.119 is amended to read as follows:

20 (1) Records in the custody of the Legislative Research Commission or the General  
21 Assembly shall be available for distribution to the public, or open for inspection by  
22 any person.

23 (2) As used in subsection (1) of this section, "records" includes bills and amendments  
24 introduced in the Senate or House of Representatives, Senate and House Journals,  
25 Acts of the General Assembly, roll call votes, final reports of committees, Kentucky  
26 Administrative Regulations, documents showing salary and expenses paid to  
27 members of the General Assembly and all employees of the legislative branch,

1 contracts, receipts and work orders for repairs or renovations to legislative offices or  
2 facilities, items cataloged in the legislative library, the Legislative Record, and  
3 informational and educational materials offered by the public information office,  
4 including legislative videotapes and photographs, calendars, and meeting notices.

5 (3) Requests for records or other documents in the custody of the Legislative Research  
6 Commission or the General Assembly shall be directed to the director of the  
7 Legislative Research Commission. Except for KRS 61.880(3), provisions of the  
8 Open Records Act, KRS 61.870 to 61.884, shall apply to a request for inspection or  
9 copies of documents or other items not set forth in subsection (2) of this section,  
10 and except that a request for a review under KRS 61.880 of any determination by  
11 the director shall be made to the Legislative Research Commission, which shall  
12 issue its decision within thirty (30) days. If the Legislative Research Commission  
13 does not issue its decision on a review of the director's determination within thirty  
14 (30) days of submission to it of the matter, the director's determination may be  
15 appealed to the Franklin Circuit Court or the Circuit Court of the county where the  
16 person resides within sixty (60) days of its issuance. For purposes of this  
17 subsection, any reference to the Attorney General in KRS 61.880 and 61.882 shall  
18 be read as the Legislative Research Commission.

19 ➔Section 8. KRS 7.320 is amended to read as follows:

20 (1) The Legislative Research Commission or a subcommittee authorized by it shall  
21 study and examine expenditures of state agencies. To facilitate optimum  
22 effectiveness and economy in the performance of this function, the Legislative  
23 Research Commission or a committee or subcommittee authorized by it, shall  
24 employ electronic data processing equipment including computers and other  
25 necessary support equipment capable of providing read only access to the desired  
26 expenditure records. The Commission may organize and adopt rules for the  
27 conduct of its business and do whatever else it considers necessary or advisable to

1 carry out the purposes of KRS 7.310 to 7.380.

2 (2) The Commission may adopt rules and prescribe procedures for the conduct of its  
3 affairs.

4 (3) The Commission or any member thereof or any employee duly authorized by the  
5 Commission or the co-chairmen thereof may administer oaths, issue subpoenas,  
6 compel the attendance of witnesses and the production of papers, books, accounts,  
7 documents, and testimony, and have the deposition of witnesses taken in the manner  
8 prescribed by law for taking depositions in civil actions. If a person disobeys or  
9 refuses to comply with a subpoena, or if a witness refuses to testify to a matter  
10 regarding which he may be lawfully interrogated, the ~~Franklin~~ Circuit Court ***of***  
11 ***any county where the witness may be found*** may on application of the Commission  
12 compel obedience by proceedings for contempt in the same manner as in the case of  
13 disobedience of the requirements of a subpoena issued from the court or a refusal to  
14 testify in the court. Each witness who appears before the Commission by its order,  
15 other than an officer or employee of the state, is entitled to the fees and mileage  
16 provided for witnesses in civil cases in courts of record, which shall be audited and  
17 paid upon the presentation of proper vouchers sworn to by such witnesses and  
18 approved by the co-chairmen of the Commission.

19 ➔Section 9. KRS 13A.337 is amended to read as follows:

20 (1) The General Assembly finds that certain administrative regulations, as evidenced by  
21 the records of the Legislative Research Commission, including but not limited to  
22 the Kentucky Administrative Regulations Service and the Administrative Register  
23 of Kentucky, were found deficient on or after July 15, 1988, and either expired prior  
24 to or upon adjournment of the 2001 General Assembly, or were scheduled to expire  
25 upon adjournment of the 2002 Regular Session of the General Assembly, under the  
26 provisions of KRS Chapter 13A as existing before the issuance of the Opinion and  
27 Order of the Franklin Circuit Court in Patton v. Sherman et al., Civil Action No. 01-

1 CI-00660, entered January 11, 2002.

2 (2) Contrary provisions of any section of the Kentucky Revised Statutes  
3 notwithstanding, the administrative regulations identified in subsection (1) of this  
4 section shall be null, void, and unenforceable, as follows:

5 (a) Those administrative regulations identified in subsection (1) of this section  
6 which expired prior to or upon adjournment of the 2001 Regular Session of  
7 the General Assembly under the provisions of KRS Chapter 13A existing  
8 before the issuance of the court order referenced in subsection (1) of this  
9 section shall be null, void, and unenforceable as of their recorded date of  
10 expiration, according to the records of the Legislative Research Commission.  
11 Administrative bodies and regulated persons and entities have relied on the  
12 assumption that these administrative regulations have previously expired;  
13 therefore, this subsection shall have the retroactive effect necessary to  
14 implement its provisions; and

15 (b) Those administrative regulations identified in subsection (1) of this section  
16 due to expire upon adjournment of the 2002 Regular Session of the General  
17 Assembly, under the provisions of KRS Chapter 13A existing before the  
18 issuance of the court order referenced in subsection (1) of this section, shall be  
19 null, void, and unenforceable on March 27, 2002.

20 (3) Contrary provisions of any section of the Kentucky Revised Statutes  
21 notwithstanding, an administrative body shall be prohibited from promulgating an  
22 administrative regulation that is identical to or substantially the same as any  
23 administrative regulation identified in subsection (1) of this section for a period  
24 beginning on January 11, 2002, and concluding upon adjournment of the 2003  
25 Regular Session of the General Assembly. This subsection shall have the retroactive  
26 effect necessary to implement its provisions.

27 (4) The Legislative Research Commission may file an action in any~~[the Franklin]~~

1 Circuit Court where the Commission or the promulgating agency has its principal  
2 offices for judicial review to determine if any administrative regulation is lawfully  
3 promulgated in accordance with the laws and Constitution of the Commonwealth of  
4 Kentucky.

5 ➔Section 10. KRS 13B.020 is amended to read as follows:

6 (1) The provisions of this chapter shall apply to all administrative hearings conducted  
7 by an agency, with the exception of those specifically exempted under this section.  
8 The provisions of this chapter shall supersede any other provisions of the Kentucky  
9 Revised Statutes and administrative regulations, unless exempted under this section,  
10 to the extent these other provisions are duplicative or in conflict. This chapter  
11 creates only procedural rights and shall not be construed to confer upon any person  
12 a right to hearing not expressly provided by law.

13 (2) The provisions of this chapter shall not apply to:

14 (a) Investigations, hearings to determine probable cause, or any other type of  
15 information gathering or fact finding activities;

16 (b) Public hearings required in KRS Chapter 13A for the promulgation of  
17 administrative regulations;

18 (c) Any other public hearing conducted by an administrative agency which is  
19 nonadjudicatory in nature and the primary purpose of which is to seek public  
20 input on public policy making;

21 (d) Military adjudicatory proceedings conducted in accordance with KRS Chapter  
22 35;

23 (e) Administrative hearings conducted by the legislative and judicial branches of  
24 state government;

25 (f) Administrative hearings conducted by any city, county, urban-county, charter  
26 county, or special district contained in KRS Chapters 65 to 109, or any other  
27 unit of local government operating strictly in a local jurisdictional capacity;

- 1 (g) Informal hearings which are part of a multilevel hearing process that affords  
2 an administrative hearing at some point in the hearing process if the  
3 procedures for informal hearings are approved and promulgated in accordance  
4 with subsections (4) and (5) of this section;
- 5 (h) Limited exemptions granted for specific hearing provisions and denoted by  
6 reference in the text of the applicable statutes or administrative regulations;
- 7 (i) Administrative hearings exempted pursuant to subsection (3) of this section;
- 8 (j) Administrative hearings exempted, in whole or in part, pursuant to  
9 subsections (4) and (5) of this section; and
- 10 (k) Any administrative hearing which was commenced but not completed prior to  
11 July 15, 1996.
- 12 (3) The following administrative hearings are exempt from application of this chapter  
13 in compliance with 1994 Ky. Acts ch. 382, sec. 19:
- 14 (a) Finance and Administration Cabinet
- 15 1. Higher Education Assistance Authority
- 16 a. Wage garnishment hearings conducted under authority of 20  
17 U.S.C. sec. 1095a and 34 C.F.R. sec. 682.410
- 18 b. Offset hearings conducted under authority of 31 U.S.C. sec. 3720A  
19 and sec. 3716, and 34 C.F.R. sec. 30.33
- 20 2. Department of Revenue
- 21 a. Any licensing and bond revocation hearings conducted under the  
22 authority of KRS 138.210 to 138.448 and 234.310 to 234.440
- 23 b. Any license revocation hearings under KRS 131.630 and 138.130  
24 to 138.205
- 25 (b) Cabinet for Health and Family Services
- 26 1. Office of Health Policy
- 27 a. Certificate-of-need hearings and licensure conducted under

- 1 authority of KRS Chapter 216B
- 2 b. Licensure revocation hearings conducted under authority of KRS
- 3 Chapter 216B
- 4 2. Department for Community Based Services
- 5 a. Supervised placement revocation hearings conducted under
- 6 authority of KRS Chapter 630
- 7 3. Department for Income Support
- 8 a. Disability determination hearings conducted under authority of 20
- 9 C.F.R. sec. 404
- 10 4. Department for Medicaid Services
- 11 a. Administrative appeal hearings following an external independent
- 12 third-party review of a Medicaid managed care organization's final
- 13 decision that denies, in whole or in part, a health care service to an
- 14 enrollee or a claim for reimbursement to the provider for a health
- 15 care service rendered by the provider to an enrollee of the
- 16 Medicaid managed care organization, conducted under authority of
- 17 KRS 205.646
- 18 (c) Justice and Public Safety Cabinet
- 19 1. Department of Kentucky State Police
- 20 a. Kentucky State Police Trial Board disciplinary hearings conducted
- 21 under authority of KRS Chapter 16
- 22 2. Department of Corrections
- 23 a. Parole Board hearings conducted under authority of KRS Chapter
- 24 439
- 25 b. Prison adjustment committee hearings conducted under authority
- 26 of KRS Chapter 197
- 27 c. Prison grievance committee hearings conducted under authority of

- 1                                   KRS Chapters 196 and 197
- 2                   3.   Department of Juvenile Justice
- 3                   a.   Supervised placement revocation hearings conducted under KRS
- 4                                   Chapter 635
- 5           (d)   Energy and Environment Cabinet
- 6                   1.   Department for Natural Resources
- 7                   a.   Surface mining hearings conducted under authority of KRS
- 8                                   Chapter 350
- 9                   2.   Department for Environmental Protection
- 10                  a.   Wild River hearings conducted under authority of KRS Chapter
- 11                                   146
- 12                  b.   Water resources hearings conducted under authority of KRS
- 13                                   Chapter 151
- 14                  c.   Water plant operator and water well driller hearings conducted
- 15                                   under authority of KRS Chapter 223
- 16                  d.   Environmental protection hearings conducted under authority of
- 17                                   KRS Chapter 224
- 18                  e.   Petroleum Storage Tank Environmental Assurance Fund hearings
- 19                                   under authority of KRS Chapter 224
- 20                  3.   Public Service Commission
- 21                  a.   Utility hearings conducted under authority of KRS Chapters 74,
- 22                                   278, and 279
- 23           (e)   Labor Cabinet
- 24                   1.   Department of Workers' Claims
- 25                   a.   Workers' compensation hearings conducted under authority of
- 26                                   KRS Chapter 342
- 27                   2.   Kentucky Occupational Safety and Health Review Commission

- 1                   a.   Occupational safety and health hearings conducted under authority  
2   of KRS Chapter 338
- 3           (f)   Public Protection Cabinet
- 4                   1.   Kentucky Claims Commission
- 5   a.   Liability hearings conducted under authority of KRS 49.020(1) and  
6   49.040 to 49.180
- 7           (g)   Education and Workforce Development Cabinet
- 8                   1.   Unemployment Insurance hearings conducted under authority of KRS  
9   Chapter 341
- 10           (h)   Secretary of State
- 11                   1.   Registry of Election Finance
- 12   a.   Campaign finance hearings conducted under authority of KRS  
13   Chapter 121
- 14           (i)   State universities and colleges
- 15                   1.   Student suspension and expulsion hearings conducted under authority of  
16   KRS Chapter 164
- 17                   2.   University presidents and faculty removal hearings conducted under  
18   authority of KRS Chapter 164
- 19                   3.   Campus residency hearings conducted under authority of KRS Chapter  
20   164
- 21                   4.   Family Education Rights to Privacy Act hearings conducted under  
22   authority of 20 U.S.C. sec. 1232 and 34 C.F.R. sec. 99
- 23                   5.   Federal Health Care Quality Improvement Act of 1986 hearings  
24   conducted under authority of 42 U.S.C. sec. 11101 to 11115 and KRS  
25   Chapter 311.
- 26   (4)   Any administrative hearing, or portion thereof, may be certified as exempt by the  
27           Attorney General based on the following criteria:

- 1 (a) The provisions of this chapter conflict with any provision of federal law or  
2 regulation with which the agency must comply, or with any federal law or  
3 regulation with which the agency must comply to permit the agency or  
4 persons within the Commonwealth to receive federal tax benefits or federal  
5 funds or other benefits;
- 6 (b) Conformity with the requirement of this chapter from which exemption is  
7 sought would be so unreasonable or so impractical as to deny due process  
8 because of undue delay in the conduct of administrative hearings; or
- 9 (c) The hearing procedures represent informal proceedings which are the  
10 preliminary stages or the review stages of a multilevel hearing process, if the  
11 provisions of this chapter or the provisions of a substantially equivalent  
12 hearing procedure exempted under subsection (3) of this section are applied at  
13 some level within the multilevel process.
- 14 (5) The Attorney General shall not exempt an agency from any requirement of this  
15 chapter until the agency establishes alternative procedures by administrative  
16 regulation which, insofar as practical, shall be consistent with the intent and purpose  
17 of this chapter. When regulations for alternative procedures are submitted to the  
18 Administrative Regulation Review Subcommittee, they shall be accompanied by the  
19 request for exemption and the approval of exemption from the Attorney General.  
20 The decision of the Attorney General, whether affirmative or negative, shall be  
21 subject to judicial review in any court of competent jurisdiction~~[the Franklin~~  
22 ~~Circuit Court]~~ within thirty (30) days of the date of issuance. The court shall not  
23 overturn a decision of the Attorney General unless the decision was arbitrary or  
24 capricious or contrary to law.
- 25 (6) Except to the extent precluded by another provision of law, a person may waive any  
26 procedural right conferred upon that person by this chapter.
- 27 ➔Section 11. KRS 14A.1-050 is amended to read as follows:

- 1 (1) If an entity or foreign entity fails or refuses to answer truthfully and fully within the  
2 time prescribed to any interrogatories propounded by the Secretary of State, the  
3 Secretary of State may with respect to that entity initiate its administrative  
4 dissolution or, with respect to a foreign entity qualified to transact business in  
5 Kentucky, revoke its certificate of authority.
- 6 (2) Each person who fails or refuses within the time prescribed to truthfully and fully  
7 answer interrogatories propounded to an entity or a foreign entity shall be guilty of a  
8 misdemeanor punishable by a fine not to exceed one hundred dollars (\$100).
- 9 (3) Further, an action may be initiated in *any Circuit Court of competent jurisdiction*  
10 ~~[Franklin Circuit Court]~~ by the Secretary of State or the Attorney General against  
11 any domestic or foreign entity in furtherance of KRS 14A.1-040(1).
- 12 ➔Section 12. KRS 14A.2-110 is amended to read as follows:
- 13 (1) If the Secretary of State refuses to file a document delivered for filing, the entity,  
14 foreign entity, or other person making the delivery for filing may appeal the refusal  
15 to *any Circuit Court of competent jurisdiction*~~[the Franklin Circuit Court]~~. The  
16 appeal shall be commenced by petitioning the court to compel filing the document  
17 and by attaching to the petition the document as delivered for filing and the  
18 Secretary of State's explanation of the refusal to file.
- 19 (2) The court may summarily order the Secretary of State to file the document or take  
20 other action the court considers appropriate.
- 21 (3) The court's final decision may be appealed as in other civil proceedings.
- 22 ➔Section 13. KRS 14A.7-040 is amended to read as follows:
- 23 (1) If the Secretary of State denies an entity's application for reinstatement the Secretary  
24 of State shall notify the entity and provide the reason or reasons for denial, which  
25 notification may be accomplished electronically.
- 26 (2) The entity may appeal the denial of reinstatement to the~~[Franklin]~~ Circuit Court *of*  
27 *the county where the entity has its principal place of business.* The entity may

1 appeal by petitioning the court to set aside the dissolution and attaching to the  
2 petition copies of the Secretary of State's certificate of dissolution, the entity's  
3 application for reinstatement, and the Secretary of State's notice of denial.

4 (3) The court may summarily order the Secretary of State to reinstate the dissolved  
5 entity or may take other action the court considers appropriate.

6 (4) The court's final decision may be appealed as in other civil proceedings.

7 ➔Section 14. KRS 14A.9-090 is amended to read as follows:

8 (1) A foreign entity may appeal the Secretary of State's revocation of its certificate of  
9 authority to any~~the Franklin~~ Circuit Court ***of competent jurisdiction*** within thirty  
10 (30) days after service of the certificate of revocation. The foreign entity may appeal  
11 by petitioning the court to set aside the revocation and attaching to the petition  
12 copies of its certificate of authority and the Secretary of State's certificate of  
13 revocation.

14 (2) The court may summarily order the Secretary of State to reinstate the certificate of  
15 authority or may take any other action the court considers appropriate.

16 (3) The court's final decision may be appealed as in other civil proceedings.

17 ➔Section 15. KRS 15.394 is amended to read as follows:

18 (1) If the council believes an agency's job task analysis to be insufficient or erroneous,  
19 the council shall file a declaratory action in the~~Franklin~~ Circuit Court ***of the***  
20 ***county where the agency is located*** to declare the job task analysis invalid.

21 (2) Until the job task analysis has been declared invalid and all appeals have been  
22 exhausted, the council shall accept the agency's job task analysis.

23 ➔Section 16. KRS 15.707 is amended to read as follows:

24 The Prosecutors Advisory Council shall have the power to issue subpoenas requiring the  
25 attendance of such witnesses and the production of such records, books, papers, and  
26 documents as it may deem necessary for investigation of any matter that it is authorized to  
27 consider or reasonably necessary therefor. Subpoenas may be signed and oaths

1 administered by any member of the council. Subpoenas so issued shall be served by any  
2 sheriff, constable, police officer, or other peace officer at the request of the council, and a  
3 return of subpoena shall be made to the council in the same manner as similar process in  
4 the Circuit Court. Any person who refuses to testify, testifies falsely, or fails to appear  
5 when subpoenaed, or fails or refuses to produce documents, records, or other such  
6 material when subpoenaed, or fails or refuses to serve a subpoena or execute a return  
7 thereon, upon citation by the ~~Franklin~~ Circuit Court **of the county where the person is**  
8 **located** and after hearing by ~~that~~~~the~~ court, shall be subject to the same order and  
9 penalties to which persons before that court are subject. Any Circuit Court, upon  
10 application of the council or the Attorney General, may compel the attendance of  
11 witnesses, the production of documents, records, or other such material, and the giving of  
12 testimony before the council.

13 ➔Section 17. KRS 16.150 is amended to read as follows:

14 (1) Any officer of the department who shall be found guilty by the trial board of any  
15 charge as provided in KRS 16.140 shall have the right, within ten (10) days from  
16 the date of judgment of the trial board, to appeal to the Franklin Circuit Court **or the**  
17 **Circuit Court of the county where the officer resides**, provided the punishment be  
18 a suspension of more than twenty (20) days or his pay be reduced more than ten  
19 percent (10%), or if he is reduced in grade, if his classification so warrants, or is  
20 removed or dismissed from the department; provided, however, the enforcement of  
21 the judgment of the trial board upon said charges shall not be suspended during said  
22 appeal.

23 (2) To perfect said appeal within the time specified, such officer shall file in the office  
24 of the **circuit** clerk ~~of the Franklin Circuit Court~~ a copy of the order, of all the  
25 evidence heard, and of all the steps taken by the trial board relative to such charges,  
26 but shall first post a bond to secure the cost of the action in a lump sum to be  
27 approved by the circuit clerk, with corporate surety approved by the Department of

1 Insurance as to solvency and responsibility and authorized to transact business in  
2 this state, or he may post a cash bond. The members of the trial board and the  
3 commissioner shall be necessary parties to such appeal. The circuit clerk shall  
4 docket the case as though it were a petition in equity and shall immediately issue a  
5 summons for the appellee. The summons shall be returnable in the same manner as  
6 in equity cases. Service of summons upon the commissioner or acting commissioner  
7 shall be deemed service upon the board.

8 (3) Such action shall be set down for trial as soon as possible, and the hearing thereof  
9 shall be expedited in the same manner as a declaratory judgment suit.

10 (4) No new or additional evidence shall be introduced in the ~~Franklin~~ Circuit Court,  
11 except as to fraud or misconduct of some party engaged in the administration of  
12 KRS 16.010 to 16.170, or one (1) who is a member of the trial board, but the court  
13 shall otherwise hear the case upon the record as attested by the board, and in all  
14 respects dispose of the appeal in a summary manner. Its review shall be limited to  
15 determining whether or not:

16 (a) The board acted without or in excess of its powers;

17 (b) The order appealed from was procured by fraud; or

18 (c) If questions of fact are in issue, whether or not any substantial evidence  
19 supports the order appealed from. After such a hearing, the court shall enter a  
20 judgment sustaining or setting aside the order of the trial board appealed from.

21 The cost of the action shall follow the judgment of the court.

22 (5) Any party aggrieved by a judgment of the ~~Franklin~~ Circuit Court may appeal to  
23 the Court of Appeals in the manner provided in the Rules of Civil Procedure, but  
24 such appeal shall be docketed within sixty (60) days from the entry of judgment,  
25 unless the time be extended by the Circuit Court, but in no event beyond one  
26 hundred twenty (120) days from the entry of judgment.

27 ➔Section 18. KRS 16.193 is amended to read as follows:

- 1 (1) Any officer of the department found guilty by the trial board of any charge as  
2 provided in KRS 16.192 shall have the right, within ten (10) days from the date of  
3 judgment of the trial board, to appeal to the Franklin Circuit Court or to the Circuit  
4 Court of the county where the officer resides if the punishment is:
- 5 (a) A suspension of more than twenty (20) days;
  - 6 (b) A pay reduction of more than ten percent (10%);
  - 7 (c) A grade reduction if his classification so warrants; or
  - 8 (d) Dismissal from the department.
- 9 The enforcement of the judgment of the trial board upon said charges shall not be  
10 suspended during the appeal.
- 11 (2) To perfect the appeal within the specified time, an officer shall file a copy of the  
12 order, all the evidence heard, and a full transcribed record relative to the charges  
13 with the ~~Franklin County~~ circuit clerk. The officer shall first post a bond to secure  
14 the cost of the action in a lump-sum amount to be approved by the circuit clerk,  
15 with corporate surety approved by the Department of Insurance as to solvency and  
16 responsibility and authority to transact business in this state, or the officer may post  
17 a cash bond. The members of the trial board and the commissioner shall be  
18 necessary parties to the appeal. The circuit clerk shall docket the case as though it  
19 were a petition in equity and shall immediately issue a summons for the appellee.  
20 The summons shall be returnable in the same manner as in equity cases. Service of  
21 summons upon the commissioner or acting commissioner shall be deemed service  
22 upon the board.
- 23 (3) The appeal shall be scheduled for trial as soon as possible, and the hearing thereof  
24 shall be expedited in the same manner as a declaratory judgment suit.
- 25 (4) No new or additional evidence shall be introduced in the ~~Franklin~~ Circuit Court,  
26 except as to fraud or misconduct of some party involved in the investigation of the  
27 charges or a member of the trial board. The court shall sit in appellate jurisdiction

1 and shall not overturn the verdict of the trial board unless it finds:

2 (a) The board acted without or in excess of its powers;

3 (b) The order appealed from was procured by fraud; or

4 (c) If questions of fact are at issue, whether any substantial evidence exists to  
5 support the order issued by the trial board. The court shall enter a judgment  
6 sustaining or setting aside the order of the trial board. The cost of the action  
7 shall follow the judgment of the court.

8 (5) Any party aggrieved by a judgment of the ~~Franklin~~ Circuit Court may appeal to  
9 the Court of Appeals in the manner provided in the Rules of Civil Procedure. The  
10 appeal shall be docketed within sixty (60) days from the entry of judgment, unless  
11 the time is extended by the ~~Franklin~~ Circuit Court, but in no event beyond one  
12 hundred twenty (120) days from the entry of judgment.

13 ➔Section 19. KRS 17.560 is amended to read as follows:

14 (1) Prior to the refusal to issue, renew, probate, suspend, or revoke the approval of a  
15 provider, the board shall conduct a hearing in accordance with the provisions of this  
16 chapter and KRS Chapter 13B.

17 (a) The hearing may be conducted by a hearing officer;

18 (b) The hearing officer may only issue a recommended order, and the  
19 recommended order shall be subject to review by a majority of the full board,  
20 which shall issue a final order.

21 (2) The board may proceed against an approved provider on its own initiative, on the  
22 basis of either information contained in its own records, or information obtained  
23 through its informal investigation.

24 (3) If a formal complaint verified by affidavit is filed with the board by a responsible  
25 citizen or organization containing allegations that if true would warrant action, the  
26 board may proceed against the approved provider.

27 (4) Any final order of the board may be appealed to the Franklin Circuit Court ***or the***

1        **Circuit Court of any county where the provider is located** in accordance with KRS  
2        Chapter 13B.

3        ➔Section 20. KRS 17.568 is amended to read as follows:

4        Whenever in the judgment of the board any person has engaged or is about to engage in  
5        any acts or practices that constitute or will constitute a violation of KRS 17.500 to 17.580  
6        and 17.991, the board may apply to the ~~Franklin~~ Circuit Court **of any county where the**  
7        **provider is located** for an order enjoining these acts or practices.

8        (1) Upon a showing by the board that a person has engaged or is about to engage in any  
9        of these acts or practices, an injunction, restraining order, or other order as may be  
10       appropriate shall be granted by the court.

11       (2) Any order of the ~~Franklin~~ Circuit Court shall be enforceable and shall be valid  
12       anywhere in this state, and the order of the court shall be reviewable as provided in  
13       the Rules of Civil Procedure in the case of other injunctions and restraining orders.

14       ➔Section 21. KRS 18A.085 is amended to read as follows:

15       (1) Members of the board may be removed by the Governor for cause after being given  
16       a copy of charges against them and an opportunity for an administrative hearing to  
17       be conducted in accordance with KRS Chapter 13B.

18       (2) Any member of the board removed by the Governor may appeal the Governor's  
19       final order removing him from the board to the Franklin Circuit Court **or the**  
20       **Circuit Court of the county where the board member resides** in accordance with  
21       KRS Chapter 13B.

22       ➔Section 22. KRS 18A.100 is amended to read as follows:

23       (1) Any final order of the board either upholding or invalidating the dismissal,  
24       demotion, suspension, or other penalization of a classified or an unclassified  
25       employee may be appealed either by the employee or by the appointing authority.

26       (2) The party aggrieved may appeal a final order by filing a petition with the clerk of  
27       the Franklin Circuit Court **or the Circuit Court of any county where the employee**

1        was employed in accordance with KRS Chapter 13B.

2        ➔Section 23. KRS 18A.170 is amended to read as follows:

3        It is further provided that the responsible departmental, board, commission or agency  
4        head shall at the time at which he elects to come under the provisions of KRS 18A.005 to  
5        18A.200, certify to the board the positions of those division directors or heads under their  
6        jurisdiction whose duties are nonpolicy making together with a sufficient statement of  
7        their duties to enable the board to determine whether or not, as a matter of fact, such  
8        duties are nonpolicy making in their nature. He shall, at any time subsequent to coming  
9        under the provisions of KRS 18A.005 to 18A.200 certify to the board additional division  
10       directors or heads whose duties are nonpolicy making. At the time of certification notice  
11       thereof shall be given to the interested division director or head in the form of a copy of  
12       the statement certifying the duties of his office. The board may conduct such hearings as  
13       it may deem necessary, and shall conduct hearings pursuant to the administrative  
14       provisions of KRS 18A.095 in the event of a difference of opinion between the certifying  
15       officer and the interested division director or head, before entering its findings of fact and  
16       an order either classifying or denying classification to such position. Either the certifying  
17       officer or the division director or head may appeal the findings of fact and the final order  
18       of the board by initiating action in the Franklin Circuit Court or the Circuit Court of any  
19       county where the appellant or appellee is located pursuant to the provisions of KRS  
20       418.040 et seq.

21       ➔Section 24. KRS 18A.175 is amended to read as follows:

22       The responsible departmental, board, commission or agency head shall periodically  
23       evaluate the duties of those division directors or heads placed under the classified service  
24       pursuant to the provisions of KRS 18A.170, and shall determine whether the duties of  
25       such directors or heads have become policy making in their nature. If it is determined  
26       that the duties of such directors and heads are policy making, the responsible agency head  
27       shall certify that fact to the board. At the time of certification, notice thereof shall be

1 given to the interested division director or head in a form of a copy of the statement  
2 certifying the policy making duties of his office. The board may conduct such hearings as  
3 it may deem necessary, and shall conduct hearings pursuant to the administrative  
4 provisions of KRS 18A.095 in the event of a difference of opinion between the certifying  
5 officer and the interested division director or head, before entering its findings of fact and  
6 an order either removing the position from the classified service or retaining it within the  
7 classified service. Either the certifying officer or the division director or head may appeal  
8 the findings of fact and the final order of the board by initiating action in the Franklin  
9 Circuit Court or the Circuit Court of any county where the appellant or appellee is  
10 located pursuant to the provisions of KRS Chapter 418.

11 →Section 25. KRS 39C.050 is amended to read as follows:

12 Local emergency management agencies created pursuant to KRS 39B.010 shall be  
13 eligible to apply for benefits from the fund created pursuant to KRS 39C.010 and  
14 39C.020 if they meet the following criteria:

15 (1) The local emergency management agency shall have a qualified, duly appointed  
16 local director who is capable of fully executing the duties of the position pursuant to  
17 KRS 39B.030. Unless the local director has already completed an introductory  
18 emergency management course or is determined by the director to be suitably  
19 qualified, during the first year of participation in the funding program, the local  
20 director, whether serving on a voluntary or paid basis, shall have successfully  
21 completed all correspondence courses specified by the division by administrative  
22 regulation. The local director shall also participate in an emergency management  
23 workshop when offered. Unless the local director has already completed an  
24 introductory emergency management course or is determined by the director to be  
25 suitably qualified, each local director shall also attend an introductory emergency  
26 management course when offered.

27 (a) In each following year, each local director shall attend an emergency

1 management workshop, when offered.

2 (b) In subsequent years, a local director shall continue his or her education by  
3 annually completing advanced instruction offered by the division, including  
4 the training courses and the Emergency Management Development Program  
5 as required by administrative regulations promulgated by the division. The  
6 requirements of this section may be met by successfully completing related  
7 courses offered by federal agencies and other organizations, as approved by  
8 the division.

9 (2) Each local emergency management agency employee, other than the local director,  
10 whose salary is reimbursed in part by this fund, shall attend one (1) emergency  
11 management workshop at least every other year, and shall complete other  
12 instruction offered by the division as required by administrative regulations  
13 promulgated by the division.

14 (3) The local director appointed pursuant to KRS Chapters 39A to 39F, shall develop a  
15 local emergency operations plan and appropriate annexes. This plan shall be subject  
16 to concurrence review by the director of the division. In subsequent years, the plan  
17 and all annexes shall annually be reviewed, updated, approved, and officially  
18 adopted in accordance with the provisions of KRS Chapters 39A to 39F.

19 (4) During the second and each subsequent year of participation in the program, the  
20 local director shall conduct an exercise to test the local emergency operations plan  
21 in accordance with exercise program requirements and guidelines of the Federal  
22 Emergency Management Agency or the division.

23 (5) Each local emergency management agency created pursuant to KRS Chapters 39A  
24 to 39F shall provide for an organized and designated emergency operating center in  
25 the local jurisdiction from which all operations of the local disaster and emergency  
26 services organization shall be coordinated. This center shall provide resources for  
27 communications, information management, and other operational capabilities

1 necessary to ensure the coordination of all disaster and emergency response in the  
2 local jurisdiction. The local emergency operations center shall be a direction and  
3 control component of the integrated emergency management system of the  
4 Commonwealth.

5 (6) Each local emergency management agency shall develop, and submit annually to  
6 the division, a program paper detailing agency administrative data, current staff  
7 personnel listings, a specific work plan of program objectives scheduled for  
8 accomplishment during the next fiscal year, and a budget request. Forms and  
9 guidance materials for this report shall be provided by the division.

10 (7) Each employee of a local emergency management agency created pursuant to this  
11 chapter with the exception of the local director and each deputy, if the deputy  
12 functions in a policymaking capacity, whose salary is reimbursed in part or in total  
13 with these funds, shall meet the standards of the Kentucky merit system, or the  
14 standards of the Federal Office of Personnel Management or its successor or local  
15 equivalent, when recognized by the director.

16 (8) In order for a local emergency management agency to participate in the funding  
17 program, one (1) of the following persons shall attend an annual emergency  
18 management workshop:

19 (a) The county judge/executive;

20 (b) The deputy county judge/executive;

21 (c) The mayor of an urban-county government, or of a consolidated local  
22 government, or of the largest city in the county, or the mayor of the city which  
23 is the county seat of the county, or the chief executive of other local  
24 government;

25 (d) The city manager;

26 (e) The local emergency management deputy director; or

27 (f) A member of the fiscal court, urban-county council, or consolidated local

1 government of the county.

2 (9) The division shall determine by administrative regulation:

3 (a) Public officials and disaster and emergency services personnel who may be  
4 reimbursed for attendance at emergency management workshops or other  
5 activities; and

6 (b) Reimbursements for attending courses and workshops, which shall be limited  
7 as follows:

8 1. Reimbursement rates for meals and travel mileage shall not exceed those  
9 for state employees.

10 2. Reimbursement shall be made for attending the workshop or course  
11 nearest to the participant's residence. A participant may attend a  
12 workshop at a greater distance but will be reimbursed for meals and  
13 mileage equal to that of attending the nearest workshop or course. In  
14 cases of extreme hardship, the nearest course or workshop requirement  
15 may be waived, in writing, by the director.

16 (10) The division shall:

17 (a) Publicize all available state and federal emergency management agency  
18 training courses to mayors, county judges/executive, and local directors; and

19 (b) Assist local personnel listed in this section in gaining entrance to state and  
20 federal emergency management agency training courses.

21 (11) If, at any time, the director of the division determines that a local emergency  
22 management agency or a local director does not comply with the eligibility  
23 requirements of this section, the director shall notify that local director and the  
24 appointing authorities, in writing, of the intent to deny financial assistance to the  
25 local emergency management agency. The local director shall have ten (10) working  
26 days to come into compliance or otherwise provide information to the director to  
27 justify eligibility for funding. If the director continues to determine that the local

1 emergency management agency or the local director does not meet eligibility  
2 requirements, the local emergency management agency shall be ineligible for funds  
3 and the director shall notify the local director and the appointing authorities, of the  
4 determination. A local director aggrieved by a decision of the director may appeal to  
5 the Franklin Circuit Court or the Circuit Court of any county where the agency is  
6 located within twenty (20) days of the receipt of the director's decision. The court's  
7 review shall be from the record and shall not be de novo.

8 ➔Section 26. KRS 39C.080 is amended to read as follows:

9 (1) The performance of each local emergency management agency or local director  
10 receiving funding pursuant to KRS 39C.010 and 39C.020 shall be evaluated  
11 quarterly as to compliance with the provisions of KRS Chapters 39A to 39F,  
12 satisfactory program administration, and the achievement of scheduled program  
13 objectives by the local emergency management agency or local director. Based upon  
14 this evaluation:

15 (a) Programs which are judged deficient, or otherwise not in compliance with  
16 KRS Chapters 39A to 39F, or program guidance of the division, may have  
17 funds withheld and those funds which have been withheld may be transferred  
18 to other local emergency management agencies.

19 (b) Programs which meet or exceed their minimum program objectives and have  
20 needs for additional funds for program improvements may be granted  
21 additional requested funds, or portions thereof, for use by the local emergency  
22 management agency in making the improvements, subject to the availability  
23 of funds.

24 (2) Within fifteen (15) days after the end of each quarter, the local emergency  
25 management director shall prepare and submit all documentation, records, or reports  
26 required by the division to substantiate and document the work activity of the local  
27 director and the local emergency management agency in performing official duties

- 1 or work plan objectives during each quarter.
- 2 (3) Program progress and compliance shall be reviewed quarterly by the area manager  
3 of the geographical area in which the local emergency management agency is  
4 located. The area manager shall review training records, exercise reports, financial  
5 records and budget expenditure rates, all work plan documentation reports or  
6 materials submitted by the local director at the end of each quarter, program  
7 guidance materials, or other sources of information, and make an assessment as to  
8 whether the local emergency management agency or local director is in compliance  
9 with current program requirements or guidance, or is making satisfactory progress  
10 toward the full achievement of the objectives outlined in the work plan of the  
11 annual program paper. The area manager shall transmit an assessment report to the  
12 director of the division together with any recommendations thereon.
- 13 (4) The director shall then review the material submitted, together with the area  
14 manager's recommendations, and submit it to the advisory committee for its  
15 evaluation and recommendations with regard thereto.
- 16 (5) The advisory committee shall transmit to the director its determination of the local  
17 emergency management agency's state of compliance or progress, and that of the  
18 local director, and the committee's recommendations with regard thereto. The  
19 director shall review the report and all recommendations thereon. The director shall  
20 then make a final determination with regard to compliance and progress and, if a  
21 deficiency is found, the measures which shall be taken to assure compliance.
- 22 (6) Local emergency management agencies or local directors determined not to be  
23 making satisfactory progress toward the accomplishment or completion of work  
24 plan objectives as outlined in the annual program paper, or not performing in  
25 accordance with the written program guidance or the requirements of KRS Chapters  
26 39A to 39F, shall be given thirty (30) days to correct the deficiencies in the manner  
27 outlined by the director.

- 1 (7) A local emergency management agency aggrieved by a decision of the director may  
2 appeal to the Franklin Circuit Court or the Circuit Court of any county where the  
3 agency is located within twenty (20) days of the receipt of the director's decision.  
4 The court's review shall be from the record and shall not be de novo, unless the  
5 record is insufficient.
- 6 (8) If a decision has been made by the director to withhold funding from the local  
7 emergency management agency, that funding shall remain withheld during the  
8 pendency of any appeals of the decision.
- 9 (9) At the end of the thirty (30) day period further funding may be withdrawn by the  
10 director, if the deficiencies have not been corrected. The funds may then be  
11 reallocated to other local emergency management agencies.
- 12 (10) The director, during the review process outlined in this section, shall also review the  
13 expenditure rate of each local emergency management agency receiving funds. If it  
14 is determined that a local agency will not utilize all allocated funds, appropriate  
15 portions of the allocation may be withdrawn and reallocated to another local  
16 emergency management agency.
- 17 ➔Section 27. KRS 41.990 is amended to read as follows:
- 18 (1) If the president or cashier of any state depository willfully violates any of the  
19 provisions of KRS 41.230, 41.240, 41.270 or 41.320, he shall be fined not less than  
20 one thousand dollars (\$1,000).
- 21 (2) Any officer, agent or employee of any budget unit who willfully fails or refuses to  
22 comply with, or expends any money in violation of, any of the provisions of KRS  
23 41.070, 41.110 to 41.170, 41.210, 41.220, 41.260, 41.270, 41.290 or 41.300 shall be  
24 subject to indictment in the ~~Franklin~~ Circuit Court of the county where the  
25 violation occurred, and upon conviction shall be fined not less than fifty (50) nor  
26 more than five hundred dollars (\$500) for each offense.
- 27 ➔Section 28. KRS 43.990 is amended to read as follows:

- 1 (1) Any officer who prevents, attempts to prevent or obstructs an examination by the  
2 Auditor, under the provisions of paragraph (c) of subsection (2) of KRS 43.050, or  
3 of subsection (3) of KRS 43.050, into his official conduct, or the conduct or  
4 condition of the office in his charge or with which he is connected, except when the  
5 office constitutes a state agency, is guilty of a high misdemeanor, and, upon  
6 conviction on indictment in the ~~Franklin~~ Circuit Court **of the county where the**  
7 **violation occurred**, shall be fined five hundred dollars (\$500) and removed by the  
8 Governor. Any person, other than an officer, who prevents, attempts to prevent or  
9 obstructs such an examination shall be fined one thousand dollars (\$1,000).
- 10 (2) If the Auditor fails or refuses without good cause to perform the duties imposed  
11 upon him by KRS 43.060, he shall be fined not less than two hundred and fifty  
12 dollars (\$250) nor more than one thousand dollars (\$1,000) for each offense.
- 13 (3) Any county officer who prevents, attempts to prevent or obstructs an examination  
14 by the Auditor, under KRS 43.070, into his official conduct, or the conduct or  
15 condition of the office in his charge or with which he is connected, is guilty of a  
16 high misdemeanor, and shall, upon indictment and conviction in the ~~Franklin~~  
17 Circuit Court **of the county where the violation occurred**, be fined five hundred  
18 dollars (\$500). Any person, other than a county officer, who prevents, attempts to  
19 prevent or obstructs such an examination shall be fined one thousand dollars  
20 (\$1,000).
- 21 (4) Any officer or other person who fails or refuses to permit the access and  
22 examination provided for in subsection (1) of KRS 43.080, or who interferes with  
23 such examination, shall be fined not less than one hundred dollars (\$100), or  
24 imprisoned in the county jail for not less than one (1) month nor more than twelve  
25 (12) months, or both. Each refusal by an officer shall constitute a separate offense.
- 26 (5) Any person who has custody of any papers, books or records of an asylum, prison,  
27 institution for the intellectually disabled or eleemosynary institution or public

1 works, other than a state agency, that the Auditor is authorized to examine under  
2 paragraph (c) of subsection (2) of KRS 43.050, under subsection (3) of KRS  
3 43.050, and under subsection (2) of KRS 43.080, who fails or refuses, when called  
4 upon by the Auditor for that purpose, to permit him to inspect any of such papers,  
5 books or records, shall, upon conviction on indictment in the ~~Franklin~~ Circuit  
6 Court **of the county where the violation occurred**, be fined not more than five  
7 hundred dollars (\$500) and be subject to removal by the Governor.

8 (6) Any person who refuses to be sworn when required by the Auditor to be sworn for  
9 the purpose mentioned in subsection (3) of KRS 43.080 shall be fined not more than  
10 one hundred dollars (\$100).

11 (7) Any witness called by the Auditor under subsection (4) of KRS 43.080 who fails,  
12 without legal excuse, to attend or testify shall be fined not more than two hundred  
13 and fifty dollars (\$250).

14 ➔Section 29. KRS 44.020 is amended to read as follows:

15 (1) Within three (3) working days after the first and fifteenth of each month, the sheriff,  
16 or any other public official with a claim payable from the State Treasury for duties  
17 performed in any court of the Court of Justice, shall make out the claim and have it  
18 certified by the judge of the court as allowable for payment, and transmit the list to  
19 the Department for Local Government. The claim approved by the judge of the  
20 court shall serve as an order of allowance notwithstanding any statutory provision to  
21 the contrary. The Department for Local Government shall keep a separate record of  
22 all claims allowed in each county, noting the number and amount of each warrant  
23 issued for the payment of the claims.

24 (2) The order of any court authorized by law to approve and allow fee bills, settlements,  
25 credits, charges, and other claims against the State Treasury shall not be treated as a  
26 judgment, or made conclusive against the state, but shall only be regarded as prima  
27 facie evidence of the correctness and legality of the fee bill, settlement, credit,

1 charge, or claim. The Department for Local Government, if it believes the fee bill,  
2 settlement, credit, charge, or claim to be fraudulent, erroneous, or illegal, may, upon  
3 the advice of the Attorney General, refuse to pay and may contest the claim in the  
4 Franklin Circuit Court **or the Circuit Court of any county where the settlement,**  
5 **credit, charge, or claim originated,** which shall have~~exclusive~~ jurisdiction of all  
6 actions against the Department for Local Government to compel the payment of  
7 claims against the State Treasury.

8 ➔Section 30. KRS 49.140 is amended to read as follows:

9 Orders, awards, and judgments of the commission may be enforced by filing in the office  
10 of the clerk of the~~Franklin~~ Circuit Court **of the county where the claims accrued** an  
11 authenticated copy of the order, award, or judgment, which, when ordered entered by the  
12 judge of the court, shall be entered on the order book and become to all effects and  
13 purposes an order, award, or judgment of the court, and be enforceable in a like manner.

14 ➔Section 31. KRS 49.150 is amended to read as follows:

15 (1) Appeals may be taken by a state agency from all awards of the commission where  
16 the amount in controversy, exclusive of interest and costs, is more than two  
17 thousand five hundred dollars (\$2,500). Appeals shall be taken to the Circuit Court  
18 of the county wherein the hearing was conducted, provided, however, that an appeal  
19 involving a nonresident claimant may be taken by a state agency to the Franklin  
20 Circuit Court **or the Circuit Court of the county where the agency has its principal**  
21 **office.** Appeals shall be taken within thirty (30) days from the rendition of the  
22 award, and the method of appeals shall follow as nearly as may be the rules of civil  
23 procedure, except the Commonwealth shall not be required to execute bond.

24 (2) Any claimant whose claim is two thousand five hundred dollars (\$2,500) or greater  
25 may within thirty (30) days after receipt of the copy of the report containing the  
26 final decision of the commission, file a proceeding in the Circuit Court of the  
27 county wherein the hearing was conducted to review the decision of the

1 commission. A copy of the filing and complaint shall be served on the Attorney  
2 General in the manner provided by the rules of civil procedure.

3 (3) The commission, the state agency, and the claimant shall be necessary parties to  
4 such appeals. It shall not be necessary for the commission to file responsive  
5 pleadings unless it so desires.

6 (4) The executive director of the commission shall within thirty (30) days after service  
7 of the summons file the entire original record properly bound, with the clerk of the  
8 Circuit Court, after certifying that such record is the commission's entire original  
9 record and such record shall be considered by the Circuit Court in its review. If  
10 either party requests a transcript of the evidence in writing, the requesting party  
11 shall bear the cost of the original copy of the transcript and it shall be furnished  
12 within ninety (90) days from the date of the written request.

13 (5) On appeal no new evidence may be introduced, except as to fraud or misconduct of  
14 some person engaged in the hearing before the commission. The court sitting  
15 without a jury shall hear the cause upon the record before it, and dispose of the  
16 appeal in a summary manner, being limited to determining: Whether or not the  
17 commission acted without or in excess of its powers; the award was procured by  
18 fraud; the award is not in conformity to the provisions of KRS 49.040 to 49.180;  
19 and whether the findings of fact support the award. The court shall enter its findings  
20 on the order book as a judgment of the court, and such judgment shall have the  
21 same effect and be enforceable as any other judgment of the court in civil causes.

22 ➔Section 32. KRS 45.990 is amended to read as follows:

23 (1) Any officer, agent, or employee of any budget unit who willfully fails or refuses to  
24 comply with any of the provisions of KRS 45.011 to 45.031, 45.121, 45.142,  
25 45.151, 45.242, 45.244, 45.251, 45.253, 45.305, or 45.313, or who expends any  
26 money in violation of any of the provisions of those sections, shall be subject to  
27 prosecution in any~~the Franklin~~ Circuit Court ***of competent jurisdiction***, and upon

1 conviction shall be guilty of a violation.

2 (2) If any person incurs, or orders or votes for the incurrence of, any obligations in  
3 violation of any of the provisions of KRS 45.244, he and his sureties shall be jointly  
4 and severally liable therefor.

5 (3) Any employee of the Office of Material and Procurement Services established  
6 within the Office of the Controller, or any official of the Commonwealth of  
7 Kentucky, elective or appointive, who shall take, receive, or offer to take or receive,  
8 either directly or indirectly, any rebate, percentage of contract, money, or other  
9 things of value, as an inducement or intended inducement in the procurement of  
10 business, or the giving of business, including, but not limited to, personal service  
11 contracts, for, or to, or from, any person, partnership, firm, or corporation, offering,  
12 bidding for, or in open market seeking to make sales to the Commonwealth of  
13 Kentucky, shall be deemed guilty of a Class C felony.

14 (4) Every person, firm, or corporation offering to make, or pay, or give, any rebate,  
15 percentage of contract, money, or any other thing of value, as an inducement or  
16 intended inducement, in the procurement of business, or the giving of business,  
17 including, but not limited to, personal service contracts, to any employee of the  
18 Office of Material and Procurement Services or to any official of the  
19 Commonwealth, elective or appointive, in his efforts to bid for, or offer for sale, or  
20 to seek in the open market, shall be deemed guilty of a Class C felony.

21 ➔Section 33. KRS 45.991 is amended to read as follows:

22 Any officer, agent, or employee of the Finance and Administration Cabinet who willfully  
23 fails or refuses to comply with any of the provisions of KRS 45.131 is subject to  
24 indictment in the ~~any~~<sup>Franklin</sup> Circuit Court **of competent jurisdiction** and, upon  
25 conviction shall be fined not less than fifty dollars (\$50) nor more than five hundred  
26 dollars (\$500) for each offense.

27 ➔Section 34. KRS 45A.245 is amended to read as follows:

1 (1) Any person, firm or corporation, having a lawfully authorized written contract with  
2 the Commonwealth at the time of or after June 21, 1974, may bring an action  
3 against the Commonwealth on the contract, including but not limited to actions  
4 either for breach of contracts or for enforcement of contracts or for both. Any such  
5 action shall be brought in the Franklin Circuit Court **or any other Circuit Court**  
6 **that would ordinarily have jurisdiction and venue over the contractual dispute**  
7 and shall be tried by the court sitting without a jury. All defenses in law or equity,  
8 except the defense of governmental immunity, shall be preserved to the  
9 Commonwealth.

10 (2) If damages awarded on any contract claim under this section exceed the original  
11 amount of the contract, such excess shall be limited to an amount which is equal to  
12 the amount of the original contract.

13 ➔Section 35. KRS 45A.255 is amended to read as follows:

14 Appeals may be taken to the Court of Appeals from ~~the~~[Franklin] Circuit Court under the  
15 same conditions and under the same practice as appeals are taken from judgments in civil  
16 causes rendered by Circuit Courts.

17 ➔Section 36. KRS 45A.260 is amended to read as follows:

18 (1) Any claim arising from a construction contract executed and administered by the  
19 Transportation Cabinet pursuant to the provisions of KRS Chapters 175, 176, 177  
20 and 180 shall be commenced in Franklin Circuit Court **or any other Circuit Court**  
21 **that would ordinarily have jurisdiction and venue over the contractual dispute**  
22 within one (1) year from the time the Commonwealth has determined final pay  
23 quantities and issues a final pay estimate to the contracting party, notifying him of  
24 its final determination, or from the receipt of a final adverse decision from the  
25 Commonwealth, whichever occurs later.

26 (2) Any other claim shall be commenced in ~~any~~[Franklin] Circuit Court **of competent**  
27 **jurisdiction** within one (1) year from the date of completion specified in the

1 contract.

2 →Section 37. KRS 46.080 is amended to read as follows:

3 ~~[The Franklin Circuit Court shall have concurrent jurisdiction of ]~~All civil and criminal  
4 actions brought to enforce any of the provisions of subsection (2) of KRS 46.030 or of  
5 subsection (1) of KRS 46.990 **shall be filed in the Circuit Court of any county in which**  
6 **a substantial part of the events giving rise to the action occurred.**

7 →Section 38. KRS 46.990 is amended to read as follows:

8 (1) Any county or district officer authorized by law to make collections of funds for the  
9 state who fails or refuses to pay over to the state the funds so collected at the time  
10 he is required by law to report the collections to any state department shall be  
11 required to pay a penalty of ten percent (10%) on all funds not so paid.

12 (2) Any officer who fails or neglects to perform any duty required of him by KRS  
13 46.030(1) shall be fined not less than fifty dollars (\$50) nor more than one hundred  
14 dollars (\$100) for each offense.

15 (3) Any officer who fails to use any book, blank, or record required to be used under  
16 KRS 46.020, or who willfully refuses to make any report required by the  
17 Department for Local Government under the provisions of KRS 46.010 or 46.020,  
18 shall be subject to indictment in the~~[Franklin]~~ Circuit Court **of the county where**  
19 **the violation occurred,** and upon conviction shall be fined not less than twenty-five  
20 dollars (\$25) nor more than five hundred dollars (\$500) for each offense.

21 →Section 39. KRS 49.340 is amended to read as follows:

22 (1) A claim, when accepted for filing, shall be assigned by the executive director of the  
23 commission to an investigator for investigation. All claims arising from the death of  
24 an individual as a direct result of a crime shall be considered together.

25 (2) The investigator to whom such claim is assigned shall examine the papers filed in  
26 support of the claim and the validity of the claim. The investigation shall include  
27 but not be limited to an examination of police, court, and official records and

1 reports concerning the crime.

2 (3) If the mental, physical, or emotional condition of a victim or claimant is material to  
3 a claim, the commission may order the victim or claimant to submit to a mental or  
4 physical examination by a physician or psychiatrist, and may order an autopsy of a  
5 deceased victim. A report upon an examination shall be filed with the investigator  
6 setting out findings, including results of all tests made, diagnosis, prognosis, and  
7 other conclusions.

8 (4) For purposes of KRS 49.270 to 49.490, there is no privilege, except privileges  
9 arising from the attorney-client relationship, as to communications or records  
10 relevant to an issue of the physical, mental, or emotional condition of the claimant  
11 or victim in a proceeding under KRS 49.270 to 49.490 in which that condition is an  
12 element.

13 (5) Claims shall be investigated and determined, regardless of whether the alleged  
14 criminal has been apprehended or prosecuted for or convicted of any crime based  
15 upon the same incident, or has been acquitted, or found not guilty of the crime in  
16 question owing to criminal irresponsibility or other legal exemption.

17 (6) Upon completion of the investigator's report, the claim shall be assigned to a  
18 commission member who may decide the claim in favor of a claimant in the amount  
19 claimed on the basis of the papers filed in support thereof and the report of the  
20 investigation of the claim within thirty (30) days of the assignment of the claim. If  
21 the commission member is unable to decide the claim upon the basis of the papers  
22 and the report, he shall order a hearing. The hearing shall be conducted in  
23 accordance with KRS Chapter 13B.

24 (7) After examining the papers filed in support of the claim and the report of  
25 investigation, and after a hearing, if any, the commission member to whom the  
26 claim was assigned shall issue a recommended order either granting an award  
27 pursuant to KRS 49.370 or deny the claim. The commission shall review the

1 recommended order and any exceptions filed to it, and shall by majority vote issue a  
2 final order.

3 (8) A final order of the commission may be appealed by filing a petition for judicial  
4 review in the county where the claim accrued or in Franklin Circuit Court in  
5 accordance with KRS Chapter 13B.

6 ➔Section 40. KRS 61.330 is amended to read as follows:

7 Upon retiring from office the chief state school officer shall deliver to his successor all  
8 books, papers, and effects belonging to the office, and on failure to do so he shall be fined  
9 not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500),  
10 which shall be recovered by indictment in the ~~Franklin~~ Circuit Court **of the county**  
11 **where his or her principal office is located.**

12 ➔Section 41. KRS 61.460 is amended to read as follows:

13 (1) Each political subdivision of the state is hereby authorized to submit for approval by  
14 the state agency a plan for extending insurance coverage to employees of the  
15 political subdivision; except that no plan shall provide insurance coverage to an  
16 employee occupying a position to which KRS 161.220 to 161.710 are applicable  
17 except for employees of the state universities and public junior colleges. Each plan  
18 and any amendments thereof shall be approved by the state agency if it finds that the  
19 plan, or the plan as amended, is in conformity with requirements as are provided in  
20 administrative regulations of the state agency, except that no plan shall be approved  
21 unless:

22 (a) It is in conformity with the requirements of the Social Security Act and with  
23 the agreement entered into under KRS 61.430;

24 (b) It provides that all services which constitute employment and are performed in  
25 the employ of the political subdivision by employees thereof, shall be covered  
26 by the plan;

27 (c) It specifies the source or sources from which the funds necessary to make the

1           payments required by paragraph (a) of subsection (3) and by subsection (4) of  
2           this section are expected to be derived and contains reasonable assurance that  
3           those sources will be adequate for that purpose;

4           (d) It provides for methods of administration of the plan by the political  
5           subdivision as are found by the state agency to be necessary for the proper and  
6           efficient administration thereof; and

7           (e) It provides that the political subdivision will make reports, in the form and  
8           containing the information, as the state agency may from time to time require,  
9           and will comply with any provisions the state agency or the commissioner  
10          may from time to time find necessary to assure the correctness and verification  
11          of the reports.

12       (2) The state agency shall not finally refuse to approve a plan submitted by a political  
13       subdivision under subsection (1) of this section without reasonable notice and  
14       opportunity for hearing to the political subdivision affected thereby.

15       (3) (a) Each political subdivision for which a plan has been approved under this  
16       section is authorized to and shall pay into the contribution fund, with respect  
17       to contributions due for wages paid prior to 1987, at the time or times as the  
18       state agency may by administrative regulation prescribe, contributions in the  
19       amounts and at the rates specified in the applicable agreement entered into by  
20       the state agency under KRS 61.430; and, furthermore, in anticipation of the  
21       due date of any payments of contributions required by this paragraph, is  
22       authorized to and shall make any advancements the state agency, by  
23       administrative regulation or contract, may require.

24       (b) Each political subdivision is authorized to and shall make the payments as are  
25       determined by the state agency to be necessary for the purpose of defraying  
26       the expenses incurred by the state agency in administering KRS 61.410 to  
27       61.500 for the benefit of those employees covered under any plan approved

1 under subsection (1) of this section, but in no event shall such amount be  
2 greater than five percent (5%) of the contributions required under paragraph  
3 (a) of this subsection. The payments shall be made into the State Treasury and  
4 shall be credited to a separate trust and agency fund to be used by the state  
5 agency solely for the purpose stated in this paragraph.

6 (c) Each political subdivision required to make payments under paragraph (a) of  
7 this subsection is authorized, in consideration of the employee's retention in,  
8 or entry upon, employment after the effective date of KRS 61.410 to 61.500,  
9 to impose upon each of its employees, as to services which are covered by an  
10 approved plan, a contribution with respect to wages received for each calendar  
11 year, at the rate established by the Federal Insurance Contributions Act, as  
12 amended, and the Social Security Act, as amended. Contributions so collected  
13 for wages paid prior to 1987 shall be paid into the contribution fund in partial  
14 discharge of the liability of the political subdivision under paragraph (a) of  
15 this subsection. Failure to deduct the contribution shall not relieve the  
16 employer of liability therefor.

17 (4) Delinquent payments due under paragraph (a) of subsection (3) of this section, with  
18 interest at the rate prescribed by Section 218 (j) of the Social Security Act, may be  
19 recovered by action in the ~~Franklin~~ Circuit Court **Circuit Court of any county in**  
20 **which a portion of the political subdivision is located** against the political  
21 subdivision liable therefor or may, at the request of the state agency, be deducted  
22 from any other moneys payable to the subdivision by any department or agency of  
23 the state.

24 ➔Section 42. KRS 61.615 is amended to read as follows:

25 (1) If the board's medical examiner determines that a recipient of a disability retirement  
26 allowance is, prior to his normal retirement date, employed in a position with the  
27 same or similar duties, or in a position with duties requiring greater residual

1 functional capacity and physical exertion, as the position from which he was  
2 disabled, except where the recipient has returned to work on a trial basis not to  
3 exceed nine (9) months, the system may reduce or discontinue the retirement  
4 allowance. Each recipient of a disability retirement allowance who is engaged in  
5 gainful employment shall notify the system of any employment; otherwise, the  
6 system shall have the right to recover payments of a disability retirement allowance  
7 made during the employment.

8 (2) If the board's medical examiner determines that a recipient of a disability retirement  
9 allowance is, prior to his normal retirement date, no longer incapacitated by the  
10 bodily injury, mental illness, or disease for which he receives a disability retirement  
11 allowance, the board may reduce or discontinue the retirement allowance.

12 (3) The system shall have full power and exclusive authority to reduce or discontinue a  
13 disability retirement allowance and the system shall utilize the services of a medical  
14 examiner as provided in KRS 61.665, in determining whether to continue, reduce,  
15 or discontinue a disability retirement allowance under this section.

16 (a) The system shall select a medical examiner to evaluate the forms and medical  
17 information submitted by the person. If there is objective medical evidence of  
18 a mental impairment, the medical examiner may request the board's licensed  
19 mental health professional to assist in determining the level of the mental  
20 impairment.

21 (b) The medical examiners shall be paid a reasonable amount by the retirement  
22 system for each case evaluated.

23 (c) The medical examiner shall recommend that disability retirement allowance  
24 be continued, reduced, or discontinued.

25 1. If the medical examiner recommends that the disability retirement  
26 allowance be continued, the system shall make retirement payments in  
27 accordance with the retirement plan selected by the person.

- 1           2. If the medical examiner recommends that the disability retirement  
2           allowance be reduced or discontinued, the system shall send notice of  
3           the recommendation by United States first-class mail to the person's last  
4           address on file in the retirement office.
- 5           a. The person shall have sixty (60) days from the day that the system  
6           mailed the notice to file at the retirement office additional  
7           supporting employment or medical information and certify to the  
8           retirement office that the forms and additional supporting  
9           employment information or medical information are ready to be  
10          evaluated by the medical examiner or to appeal the  
11          recommendation of the medical examiner to reduce or discontinue  
12          the disability retirement allowance by filing at the retirement office  
13          a request for a formal hearing.
- 14          b. If the person fails or refuses to file at the retirement office the  
15          forms, the additional supporting employment information, and  
16          current medical information or to appeal the recommendation of  
17          the medical examiners to reduce or discontinue the disability  
18          retirement allowance, his retirement allowance shall be  
19          discontinued on the first day of the month following the expiration  
20          of the period of the sixty (60) days from the day the system mailed  
21          the notice of the recommendation to the person's last address on  
22          file in the retirement office.
- 23          (d) The medical examiner shall make a recommendation based upon the  
24          evaluation of additional supporting medical information submitted in  
25          accordance with paragraph (c)2.a. of this subsection.
- 26          1. If the medical examiner recommends that the disability retirement  
27          allowance be continued, the system shall make disability retirement

- 1                   payments in accordance with the retirement plan selected by the person.
- 2                   2. If the medical examiner recommends that the disability retirement  
3                   allowance be reduced or discontinued based upon the evaluation of  
4                   additional supporting medical information, the system shall send notice  
5                   of this recommendation by United States first-class mail to the person's  
6                   last address on file in the retirement office.
- 7                   a. The person shall have sixty (60) days from the day that the system  
8                   mailed the notice of the recommendation to appeal the  
9                   recommendation to reduce or discontinue the disability retirement  
10                  allowance by filing at the retirement office a request for formal  
11                  hearing.
- 12                  b. If the person fails or refuses to appeal the recommendation of the  
13                  medical examiners to reduce or discontinue the disability  
14                  retirement allowance, his retirement allowance shall be  
15                  discontinued on the first day of the month following the expiration  
16                  of the period of the sixty (60) days from the day the system mailed  
17                  the notice of the recommendation to the person's last address on  
18                  file in the retirement office.
- 19                  (e) Any person whose disability benefits have been reduced or discontinued,  
20                  pursuant to paragraph (c)2. or (d)2. of this subsection, may file at the  
21                  retirement office a request for formal hearing to be conducted in accordance  
22                  with KRS Chapter 13B. The right to demand a formal hearing shall be limited  
23                  to a period of sixty (60) days after the person had notice, as described in  
24                  paragraph (c) or (d) of this subsection. The request for formal hearing shall be  
25                  filed with the system, at the retirement office in Frankfort. The request for  
26                  formal hearing shall include a short and plain statement of the reasons the  
27                  reduction, discontinuance, or denial of disability retirement is being contested.

- 1 (f) Failure of the person to request a formal hearing within the period of time  
2 specified shall preclude the person from proceeding any further with  
3 contesting the reduction or discontinuation of disability retirement allowance,  
4 except as provided in subsection (6)(d) of this section. This paragraph shall  
5 not limit the person's right to appeal to a court.
- 6 (g) A final order of the board shall be based on substantial evidence appearing in  
7 the record as a whole and shall set forth the decision of the board and the facts  
8 and law upon which the decision is based. If the board orders that the person's  
9 disability retirement allowance be discontinued or reduced, the order shall  
10 take effect on the first day of the month following the day the system mailed  
11 the order to the person's last address on file in the retirement office. Judicial  
12 review of the final board order shall not operate as a stay and the system shall  
13 discontinue or reduce the person's disability retirement allowance as provided  
14 in this section.
- 15 (h) Notwithstanding any other provisions of this section, the system may require  
16 the person to submit to one (1) or more medical or psychological  
17 examinations at any time. The system shall be responsible for any costs  
18 associated with any examinations of the person requested by the medical  
19 examiner or the system for the purpose of providing medical information  
20 deemed necessary by the medical examiner or the system. Notice of the time  
21 and place of the examination shall be mailed to the person or his legal  
22 representative. If the person fails or refuses to submit to one (1) or more  
23 medical examinations, his rights to further disability retirement allowance  
24 shall cease.
- 25 (i) All requests for a hearing pursuant to this section shall be made in writing.
- 26 (4) The board may establish an appeals committee whose members shall be appointed  
27 by the chair and who shall have the authority to act upon the recommendations and

1 reports of the hearing officer pursuant to this section on behalf of the board.

2 (5) Any person aggrieved by a final order of the board may seek judicial review after all  
3 administrative appeals have been exhausted by filing a petition for judicial review  
4 in the Franklin Circuit Court or the Circuit Court of the county where the person  
5 resides in accordance with KRS Chapter 13B.

6 (6) If a disability retirement allowance is reduced or discontinued for a person who  
7 began participating in the system prior to January 1, 2014, the person may apply for  
8 early retirement benefits as provided under KRS 61.559, subject to the following  
9 provisions:

10 (a) The person may not change his beneficiary or payment option;

11 (b) If the person has returned to employment with an employer participating in  
12 one (1) of the systems administered by Kentucky Retirement Systems, the  
13 service and creditable compensation shall be used in recomputing his benefit,  
14 except that the person's final compensation shall not be less than the final  
15 compensation last used in determining his retirement allowance;

16 (c) The benefit shall be reduced as provided by KRS 61.595(2);

17 (d) The person shall remain eligible for reinstatement of his disability allowance  
18 upon reevaluation by the medical review board until his normal retirement  
19 age. The person shall apply for reinstatement of disability benefits in  
20 accordance with the provisions of this section. An application for  
21 reinstatement of disability benefits shall be administered as an application  
22 under KRS 61.600, and only the bodily injuries, mental illnesses, diseases, or  
23 conditions for which the person was originally approved for disability benefits  
24 shall be considered. Bodily injuries, mental illnesses, diseases, or conditions  
25 that came into existence after the person's last day of paid employment shall  
26 not be considered as a basis for reinstatement of disability benefits. Bodily  
27 injuries, mental illnesses, diseases, or conditions alleged by the person as

1 being incapacitating, but which were not the basis for the award of disability  
2 retirement benefits, shall not be considered. If the person establishes that the  
3 disability benefits should be reinstated, the retirement system shall pay  
4 disability benefits effective from the first day of the month following the  
5 month in which the person applied for reinstatement of the disability benefits;  
6 and

7 (e) Upon attaining normal retirement age, the person shall receive the higher of  
8 either his disability retirement allowance or his early retirement allowance.

9 (7) No disability retirement allowance shall be reduced or discontinued by the system  
10 after the person's normal retirement date except in case of reemployment as  
11 provided for by KRS 61.637. If a disability retirement allowance has been reduced  
12 or discontinued, except if the person is reemployed as provided for by KRS 61.637,  
13 the retirement allowance shall be reinstated upon attainment of the person's normal  
14 retirement date to the retirement allowance prior to adjustment. No reinstated  
15 payment shall be less than the person is receiving upon attainment of the person's  
16 normal retirement date.

17 ➔Section 43. KRS 61.645 is amended to read as follows:

18 (1) The County Employees Retirement System, Kentucky Employees Retirement  
19 System, and State Police Retirement System shall be administered by the board of  
20 trustees of the Kentucky Retirement Systems composed of seventeen (17) members,  
21 who shall be selected as follows:

22 (a) The secretary of the Personnel Cabinet shall serve as trustee for as long as he  
23 occupies the position of secretary under KRS 18A.015, except as provided  
24 under subsections (5) and (6) of this section;

25 (b) Three (3) trustees, who shall be members or retired from the County  
26 Employees Retirement System, elected by the members and retired members  
27 of the County Employees Retirement System;

- 1 (c) One (1) trustee, who shall be a member or retired from the State Police  
2 Retirement System, elected by the members and retired members of the State  
3 Police Retirement System;
- 4 (d) Two (2) trustees, who shall be members or retired from the Kentucky  
5 Employees Retirement System, elected by the members and retired members  
6 of the Kentucky Employees Retirement System; and
- 7 (e) Ten (10) trustees, appointed by the Governor of the Commonwealth, subject  
8 to Senate confirmation in accordance with KRS 11.160 for each appointment  
9 or reappointment. Of the ten (10) trustees appointed by the Governor:
- 10 1. One (1) trustee shall be knowledgeable about the impact of pension  
11 requirements on local governments;
- 12 2. One (1) trustee shall be appointed from a list of three (3) applicants  
13 submitted by the Kentucky League of Cities;
- 14 3 One (1) trustee shall be appointed from a list of three (3) applicants  
15 submitted by the Kentucky Association of Counties;
- 16 4. One (1) trustee shall be appointed from a list of three (3) applicants  
17 submitted by the Kentucky School Boards Association; and
- 18 5. Six (6) trustees shall have investment experience. For purposes of this  
19 subparagraph, a trustee with "investment experience" means an  
20 individual who does not have a conflict of interest, as provided by KRS  
21 61.655, and who has at least ten (10) years of experience in one (1) of  
22 the following areas of expertise:
- 23 a. A portfolio manager acting in a fiduciary capacity;
- 24 b. A professional securities analyst or investment consultant;
- 25 c. A current or retired employee or principal of a trust institution,  
26 investment or finance organization, or endowment fund acting in  
27 an investment-related capacity;

1                   d. A chartered financial analyst in good standing as determined by the  
2                   CFA Institute; or

3                   e. A university professor, teaching investment-related studies.

4 (2) The board is hereby granted the powers and privileges of a corporation, including  
5 but not limited to the following powers:

6           (a) To sue and be sued in its corporate name;

7           (b) To make bylaws not inconsistent with the law;

8           (c) To conduct the business and promote the purposes for which it was formed;

9           (d) Except as provided in KRS 61.650(6), to contract for investment counseling,  
10           actuarial, auditing, medical, and other professional or technical services as  
11           required to carry out the obligations of the board subject to KRS Chapters 45,  
12           45A, 56, and 57;

13           (e) To purchase fiduciary liability insurance;

14           (f) Except as provided in KRS 61.650(6), to acquire, hold, sell, dispose of,  
15           pledge, lease, or mortgage, the goods or property necessary to exercise the  
16           board's powers and perform the board's duties subject to KRS Chapters 45,  
17           45A, and 56; and

18           (g) The board shall reimburse any trustee, officer, or employee for any legal  
19           expense resulting from a civil action arising out of the performance of his  
20           official duties. The hourly rate of reimbursement for any contract for legal  
21           services under this paragraph shall not exceed the maximum hourly rate  
22           provided in the Legal Services Duties and Maximum Rate Schedule  
23           promulgated by the Government Contract Review Committee established  
24           pursuant to KRS 45A.705, unless a higher rate is specifically approved by the  
25           secretary of the Finance and Administration Cabinet or his or her designee.

26 (3) (a) Notwithstanding the provisions of subsection (1) of this section, each trustee  
27           shall serve a term of four (4) years or until his successor is duly qualified

1           except as otherwise provided in this section. An elected trustee or a trustee  
2           appointed by the Governor under subsection (1)(e) of this section, shall not  
3           serve more than three (3) consecutive four (4) year terms. An elected trustee  
4           or a trustee appointed by the Governor under subsection (1)(e) of this section,  
5           who has served three (3) consecutive terms may be elected or appointed again  
6           after an absence of four (4) years from the board.

7           (b) The term limits established by paragraph (a) of this subsection shall apply to  
8           trustees serving on or after July 1, 2012, and all terms of office served prior to  
9           July 1, 2012, shall be used to determine if the trustee has exceeded the term  
10          limits provided by paragraph (a) of this subsection.

11       (4) (a) The trustees selected by the membership of each of the various retirement  
12          systems shall be elected by ballot. For each trustee to be elected, the board  
13          may nominate, not less than six (6) months before a term of office of a trustee  
14          is due to expire, three (3) constitutionally eligible individuals.

15       (b) Individuals may be nominated by the retirement system members which are to  
16          elect the trustee by presenting to the executive director, not less than four (4)  
17          months before a term of office of a trustee is due to expire, a petition, bearing  
18          the name, last four digits of the Social Security number, and signature of no  
19          less than one-tenth (1/10) of the number voting in the last election by the  
20          retirement system members.

21       (c) Within four (4) months of the nominations made in accordance with  
22          paragraphs (a) and (b) of this subsection, the executive director shall cause to  
23          be prepared an official ballot. The ballot shall carry the name, address, and  
24          position title of each individual nominated by the board and by petition.  
25          Provisions shall also be made for write-in votes.

26       (d) The ballots shall be distributed to the eligible voters by mail to their last  
27          known residence address.

- 1 (e) The ballots shall be addressed to the Kentucky Retirement Systems in care of  
2 a predetermined box number at a United States Post Office located within  
3 Kentucky. Access to this post office box shall be limited to the board's  
4 contracted auditing firm. The individual receiving a plurality of votes shall be  
5 declared elected.
- 6 (f) The eligible voter shall cast his ballot by checking a square opposite the name  
7 of the candidate of his choice. He shall sign and mail the ballot at least thirty  
8 (30) days prior to the date the term to be filled is due to expire. The latest  
9 mailing date shall be printed on the ballot.
- 10 (g) The board's contracted auditing firm shall report in writing the outcome to the  
11 chair of the board of trustees. Cost of an election shall be payable from the  
12 funds of the system for which the trustee is elected.
- 13 (h) For purposes of this subsection, an eligible voter shall be a person who was a  
14 member of the retirement system on December 31 of the year preceding the  
15 election year.
- 16 (i) Each individual who submits a request to be nominated by the board under  
17 paragraph (a) of this subsection and each individual who is nominated by the  
18 membership under paragraph (b) of this subsection shall:
- 19 1. Complete an application developed by the retirement systems which  
20 shall include but not be limited to a disclosure of any prior felonies and  
21 any conflicts of interest that would hinder the individual's ability to  
22 serve on the board;
  - 23 2. Submit a resume detailing the individual's education and employment  
24 history and a cover letter detailing the member's qualifications for  
25 serving as trustee to the board; and
  - 26 3. Authorize the systems to have a criminal background check performed.  
27 The criminal background check shall be performed by the Department of

1 Kentucky State Police.

2 (5) Any vacancy which may occur in an appointed position shall be filled in the same  
3 manner which provides for the selection of the particular trustee, and any vacancy  
4 which may occur in an elected position shall be filled by appointment by a majority  
5 vote of the remaining elected trustees with a person selected from the system in  
6 which the vacancy occurs, and if the secretary of the Personnel Cabinet resigns his  
7 position as trustee, it shall be filled by appointment made by the Governor;  
8 however, any vacancy shall be filled only for the duration of the unexpired term. In  
9 the event of a vacancy of an elected trustee, Kentucky Retirement Systems shall  
10 notify members of the system in which the vacancy occurs of the vacancy and the  
11 opportunity to be considered for the vacant position. Any vacancy shall be filled  
12 within ninety (90) days of the position becoming vacant.

13 (6) (a) Membership on the board of trustees shall not be incompatible with any other  
14 office unless a constitutional incompatibility exists. No trustee shall serve in  
15 more than one (1) position as trustee on the board; and if a trustee holds more  
16 than one (1) position as trustee on the board, he shall resign a position.

17 (b) A trustee shall be removed from office upon conviction of a felony or for a  
18 finding of a violation of any provision of KRS 11A.020 or 11A.040 by a court  
19 of competent jurisdiction.

20 (c) A current or former employee of Kentucky Retirement Systems shall not be  
21 eligible to serve as a member of the board.

22 (7) Trustees who do not otherwise receive a salary from the State Treasury shall receive  
23 a per diem of eighty dollars (\$80) for each day they are in session or on official  
24 duty, and they shall be reimbursed for their actual and necessary expenses in  
25 accordance with state administrative regulations and standards.

26 (8) (a) The board shall meet at least once in each quarter of the year and may meet in  
27 special session upon the call of the chair or the executive director.

- 1 (b) The board shall elect a chair and a vice chair. The chair shall not serve more  
2 than four (4) consecutive years as chair or vice-chair of the board. The vice-  
3 chair shall not serve more than four (4) consecutive years as chair or vice-  
4 chair of the board. A trustee who has served four (4) consecutive years as  
5 chair or vice-chair of the board may be elected chair or vice-chair of the board  
6 after an absence of two (2) years from the positions.
- 7 (c) A majority of the trustees shall constitute a quorum and all actions taken by  
8 the board shall be by affirmative vote of a majority of the trustees present.
- 9 (9) (a) The board of trustees shall appoint or contract for the services of an executive  
10 director and fix the compensation and other terms of employment for this  
11 position without limitation of the provisions of KRS Chapters 18A and KRS  
12 64.640. The executive director shall be the chief administrative officer of the  
13 board.
- 14 (b) The board of trustees shall authorize the executive director to appoint the  
15 employees deemed necessary to transact the business of the system. All  
16 employees of the systems, except for the executive director, shall be subject to  
17 the state personnel system established pursuant to KRS 18A.005 to 18A.204  
18 and shall have their salaries determined by the secretary of the Personnel  
19 Cabinet.
- 20 (c) The board shall require the executive director and the employees as it thinks  
21 proper to execute bonds for the faithful performance of their duties  
22 notwithstanding the limitations of KRS Chapter 62.
- 23 (d) The board shall establish a system of accounting.
- 24 (e) The board shall do all things, take all actions, and promulgate all  
25 administrative regulations, not inconsistent with the provisions of KRS 16.505  
26 to 16.652, 61.510 to 61.705, and 78.510 to 78.852, necessary or proper in  
27 order to carry out the provisions of KRS 16.505 to 16.652, 61.510 to 61.705,

1 and 78.510 to 78.852. Notwithstanding any other evidence of legislative  
2 intent, it is hereby declared to be the controlling legislative intent that the  
3 provisions of KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510 to 78.852  
4 conform with federal statute or regulation and meet the qualification  
5 requirements under 26 U.S.C. sec. 401(a), applicable federal regulations, and  
6 other published guidance. Provisions of KRS 16.505 to 16.652, 61.510 to  
7 61.705, and 78.510 to 78.852 which conflict with federal statute or regulation  
8 or qualification under 26 U.S.C. sec. 401(a), applicable federal regulations,  
9 and other published guidance shall not be available. The board shall have the  
10 authority to promulgate administrative regulations to conform with federal  
11 statute and regulation and to meet the qualification requirements under 26  
12 U.S.C. sec. 401(a), including an administrative regulation to comply with 26  
13 U.S.C. sec. 401(a)(9). The board shall have the authority to promulgate an  
14 administrative regulation to comply with any consent decrees entered into by  
15 the board in Civil Action No. 3:99CV500(C) in order to bring the systems into  
16 compliance with the Age Discrimination in Employment Act, 29 U.S.C.  
17 Section 621, et seq., as amended.

18 (10) Notwithstanding any statute to the contrary, employees shall not be considered  
19 legislative agents under KRS 6.611.

20 (11) The Attorney General, or an assistant designated by him, may attend each meeting  
21 of the board and may receive the agenda, board minutes, and other information  
22 distributed to trustees of the board upon request. The Attorney General may act as  
23 legal adviser and attorney for the board, and the board may contract for legal  
24 services, notwithstanding the limitations of KRS Chapter 12 or 13B.

25 (12) (a) The system shall publish an annual financial report showing all receipts,  
26 disbursements, assets, and liabilities. The annual report shall include a copy of  
27 an audit conducted in accordance with generally accepted auditing standards.

1           Except as provided by paragraph (b) of this subsection, the board may select  
2           an independent certified public accountant or the Auditor of Public Accounts  
3           to perform the audit. If the audit is performed by an independent certified  
4           public accountant, the Auditor of Public Accounts shall not be required to  
5           perform an audit pursuant to KRS 43.050(2)(a), but may perform an audit at  
6           his discretion. All proceedings and records of the board shall be open for  
7           inspection by the public. The system shall make copies of the audit required  
8           by this subsection available for examination by any member, retiree, or  
9           beneficiary in the office of the executive director of the Kentucky Retirement  
10          Systems and in other places as necessary to make the audit available to all  
11          members, retirees, and beneficiaries. A copy of the annual audit shall be sent  
12          to the Legislative Research Commission no later than ten (10) days after  
13          receipt by the board.

14          (b) At least once every five (5) years, the Auditor of Public Accounts shall  
15          perform the audit described by this subsection, and the system shall reimburse  
16          the Auditor of Public Accounts for all costs of the audit. The Auditor of  
17          Public Accounts shall determine which fiscal year during the five (5) year  
18          period the audit prescribed by this paragraph will be completed.

19          (13) All expenses incurred by or on behalf of the system and the board in the  
20          administration of the system during a fiscal year shall be paid from the retirement  
21          allowance account. Any other statute to the contrary notwithstanding, authorization  
22          for all expenditures relating to the administrative operations of the system shall be  
23          contained in the biennial budget unit request, branch budget recommendation, and  
24          the financial plan adopted by the General Assembly pursuant to KRS Chapter 48.

25          (14) Any person adversely affected by a decision of the board, except as provided under  
26          subsection (16) of this section or KRS 61.665, involving KRS 16.505 to 16.652,  
27          61.510 to 61.705, and 78.510 to 78.852, may appeal the decision of the board to the

1 Franklin Circuit Court or the Circuit Court of the county where the person resides  
2 within sixty (60) days of the board action.

3 (15) (a) A trustee shall discharge his duties as a trustee, including his duties as a  
4 member of a committee:

- 5 1. In good faith;
- 6 2. On an informed basis; and
- 7 3. In a manner he honestly believes to be in the best interest of the  
8 Kentucky Retirement Systems.

9 (b) A trustee discharges his duties on an informed basis if, when he makes an  
10 inquiry into the business and affairs of the Kentucky Retirement Systems or  
11 into a particular action to be taken or decision to be made, he exercises the  
12 care an ordinary prudent person in a like position would exercise under similar  
13 circumstances.

14 (c) In discharging his duties, a trustee may rely on information, opinions, reports,  
15 or statements, including financial statements and other financial data, if  
16 prepared or presented by:

- 17 1. One (1) or more officers or employees of the Kentucky Retirement  
18 Systems whom the trustee honestly believes to be reliable and competent  
19 in the matters presented;
- 20 2. Legal counsel, public accountants, actuaries, or other persons as to  
21 matters the trustee honestly believes are within the person's professional  
22 or expert competence; or
- 23 3. A committee of the board of trustees of which he is not a member if the  
24 trustee honestly believes the committee merits confidence.

25 (d) A trustee shall not be considered as acting in good faith if he has knowledge  
26 concerning the matter in question that makes reliance otherwise permitted by  
27 paragraph (c) of this subsection unwarranted.

- 1 (e) Any action taken as a trustee, or any failure to take any action as a trustee,  
2 shall not be the basis for monetary damages or injunctive relief unless:
- 3 1. The trustee has breached or failed to perform the duties of the trustee's  
4 office in compliance with this section; and
- 5 2. In the case of an action for monetary damages, the breach or failure to  
6 perform constitutes willful misconduct or wanton or reckless disregard  
7 for human rights, safety, or property.
- 8 (f) A person bringing an action for monetary damages under this section shall  
9 have the burden of proving by clear and convincing evidence the provisions of  
10 paragraph (e)1. and 2. of this subsection, and the burden of proving that the  
11 breach or failure to perform was the legal cause of damages suffered by the  
12 Kentucky Retirement Systems.
- 13 (g) Nothing in this section shall eliminate or limit the liability of any trustee for  
14 any act or omission occurring prior to July 15, 1988.
- 15 (h) In discharging his or her administrative duties under this section, a trustee  
16 shall strive to administer the retirement system in an efficient and cost-  
17 effective manner for the taxpayers of the Commonwealth of Kentucky.
- 18 (16) When an order by the system substantially impairs the benefits or rights of a  
19 member, retired member, or recipient, except action which relates to entitlement to  
20 disability benefits, or when an employer disagrees with an order of the system as  
21 provided by KRS 61.598, the affected member, retired member, recipient, or  
22 employer may request a hearing to be held in accordance with KRS Chapter 13B.  
23 The board may establish an appeals committee whose members shall be appointed  
24 by the chair and who shall have authority to act upon the recommendations and  
25 reports of the hearing officer on behalf of the board. The member, retired member,  
26 recipient, or employer aggrieved by a final order of the board following the hearing  
27 may appeal the decision to the Franklin Circuit Court or the Circuit Court of the

1        county where the person resides, in accordance with KRS Chapter 13B.

2        (17) The board shall give the Kentucky Education Support Personnel Association  
3        twenty-four (24) hours notice of the board meetings, to the extent possible.

4        (18) The board shall establish a formal trustee education program for all trustees of the  
5        board. The program shall include but not be limited to the following:

6        (a) A required orientation program for all new trustees elected or appointed to the  
7        board. The orientation program shall include training on:

- 8            1. Benefits and benefits administration;
- 9            2. Investment concepts, policies, and current composition and  
10            administration of retirement systems investments;
- 11            3. Laws, bylaws, and administrative regulations pertaining to the  
12            retirement systems and to fiduciaries; and
- 13            4. Actuarial and financial concepts pertaining to the retirement systems.

14        If a trustee fails to complete the orientation program within one (1) year from  
15        the beginning of his or her first term on the board, the retirement systems shall  
16        withhold payment of the per diem and travel expenses due to the board  
17        member under this section and KRS 16.640 and 78.780 until the trustee has  
18        completed the orientation program;

19        (b) Annual required training for board members on the administration, benefits,  
20        financing, and investing of the retirement systems. If a trustee fails to  
21        complete the annual required training during the calendar or fiscal year, the  
22        retirement systems shall withhold payment of the per diem and travel  
23        expenses due to the board member under this section and KRS 16.640 and  
24        78.780 until the board member has met the annual training requirements; and

25        (c) The retirement systems shall incorporate by reference in an administrative  
26        regulation, pursuant to KRS 13A.2251, the trustee education program.

27        (19) In order to improve public transparency regarding the administration of the systems,

1 the board of trustees shall adopt a best practices model by posting the following  
2 information to the retirement systems' Web site and shall make available to the  
3 public:

4 (a) Meeting notices and agendas for all meetings of the board. Notices and  
5 agendas shall be posted to the retirement systems' Web site at least seventy-  
6 two (72) hours in advance of the board or committee meetings, except in the  
7 case of special or emergency meetings as provided by KRS 61.823;

8 (b) The Comprehensive Annual Financial Report with the information as follows:

- 9 1. A general overview and update on the retirement systems by the  
10 executive director;
- 11 2. A listing of the board of trustees;
- 12 3. A listing of key staff;
- 13 4. An organizational chart;
- 14 5. Financial information, including a statement of plan net assets, a  
15 statement of changes in plan net assets, an actuarial value of assets, a  
16 schedule of investments, a statement of funded status and funding  
17 progress, and other supporting data;
- 18 6. Investment information, including a general overview, a list of the  
19 retirement system's professional consultants, a total net of fees return on  
20 retirement systems investments over a historical period, an investment  
21 summary, contracted investment management expenses, transaction  
22 commissions, and a schedule of investments;
- 23 7. The annual actuarial valuation report on the pension benefit and the  
24 medical insurance benefit; and
- 25 8. A general statistical section, including information on contributions,  
26 benefit payouts, and retirement systems' demographic data;

27 (c) All external audits;

- 1 (d) All board minutes or other materials that require adoption or ratification by  
2 the board of trustees. The items listed in this paragraph shall be posted within  
3 seventy-two (72) hours of adoption or ratification of the board;
- 4 (e) All bylaws, policies, or procedures adopted or ratified by the board of trustees;
- 5 (f) The retirement systems' summary plan description;
- 6 (g) A document containing an unofficial copy of the statutes governing the  
7 systems administered by Kentucky Retirement Systems;
- 8 (h) A listing of the members of the board of trustees and membership on each  
9 committee established by the board, including any investment committees;
- 10 (i) All investment holdings in aggregate, fees, and commissions for each fund  
11 administered by the board, which shall be updated on a quarterly basis for  
12 fiscal years beginning on or after July 1, 2017. The systems shall request from  
13 all managers, partnerships, and any other available sources all information  
14 regarding fees and commissions and shall, based on the requested information  
15 received:
- 16 1. Disclose the dollar value of fees and commissions paid to each  
17 individual manager or partnership;
  - 18 2. Disclose the dollar value of any profit sharing, carried interest, or any  
19 other partnership incentive arrangements, partnership agreements, or any  
20 other partnership expenses received by or paid to each manager or  
21 partnership; and
  - 22 3. As applicable, report each fee or commission by manager or partnership  
23 consistent with standards established by the Institutional Limited  
24 Partners Association (ILPA).

25 In addition to the requirements of this paragraph, the systems shall also  
26 disclose the name and address of all individual underlying managers or  
27 partners in any fund of funds in which system assets are invested;

- 1 (j) An update of net of fees investment returns, asset allocations, and the  
2 performance of the funds against benchmarks adopted by the board for each  
3 fund, for each asset class administered by the board, and for each manager.  
4 The update shall be posted on a quarterly basis for fiscal years beginning on or  
5 after July 1, 2017;
- 6 (k) A searchable database of the systems' expenditures and a listing of each  
7 individual employed by the systems along with the employee's salary or  
8 wages. In lieu of posting the information required by this paragraph to the  
9 systems' Web site, the systems may provide the information through a Web  
10 site established by the executive branch to inform the public about executive  
11 branch agency expenditures and public employee salaries and wages;
- 12 (l) All contracts or offering documents for services, goods, or property purchased  
13 or utilized by the systems; and
- 14 (m) Information regarding the systems' financial and actuarial condition that is  
15 easily understood by the members, retired members, and the public.
- 16 (20) Notwithstanding the requirements of subsection (19) of this section, the retirement  
17 systems shall not be required to furnish information that is protected under KRS  
18 61.661, exempt under KRS 61.878, or that, if disclosed, would compromise the  
19 retirement systems' ability to competitively invest in real estate or other asset  
20 classes, except that no provision of this section or KRS 61.878 shall exclude  
21 disclosure and review of all contracts, including investment contracts, by the board,  
22 the Auditor of Public Accounts, and the Government Contract Review Committee  
23 established pursuant to KRS 45A.705 or the disclosure of investment fees and  
24 commissions as provided by this section. If any public record contains material  
25 which is not excepted under this section, the systems shall separate the excepted  
26 material by removal, segregation, or redaction, and make the nonexcepted material  
27 available for examination.

1 (21) Notwithstanding any other provision of KRS 16.505 to 16.652, 61.510 to 61.705,  
2 and 78.510 to 78.852 to the contrary, no funds of the systems administered by  
3 Kentucky Retirement Systems, including fees and commissions paid to an  
4 investment manager, private fund, or company issuing securities, who manages  
5 systems assets, shall be used to pay fees and commissions to placement agents. For  
6 purposes of this subsection, "placement agent" means a third-party individual, who  
7 is not an employee, or firm, wholly or partially owned by the entity being hired,  
8 who solicits investments on behalf of an investment manager, private fund, or  
9 company issuing securities.

10 ➔Section 44. KRS 61.665 is amended to read as follows:

11 (1) The board shall employ at least three (3) physicians, licensed in the state and not  
12 members of the system, upon terms and conditions it prescribes to serve as medical  
13 examiners, whose duty it shall be to pass upon all medical examinations required  
14 under KRS 61.510 to 61.705, 16.505 to 16.652, and 78.510 to 78.852, to investigate  
15 all health or medical statements and certificates made by or in behalf of any person  
16 in connection with the payment of money to the person under KRS 61.510 to  
17 61.705, 16.505 to 16.652, and 78.510 to 78.852, and who shall report in writing to  
18 the system the conclusions and recommendations upon all matters referred to them.  
19 The board may employ one (1) or more licensed mental health professionals in  
20 making recommendations regarding mental impairments.

21 (2) (a) Each person requesting disability retirement shall file at the retirement office  
22 an application for disability retirement and supporting medical information to  
23 report the person's physical and mental condition. The person shall also file at  
24 the retirement office a complete description of the job and duties from which  
25 he received his last pay as well as evidence that the person has made a request  
26 for reasonable accommodation as provided for in 42 U.S.C. sec. 12111(9) and  
27 29 C.F.R. Part 1630. The person shall certify to the retirement office that the

1 application for disability retirement and supporting medical information are  
2 ready to be evaluated by the medical examiners in accordance with paragraph  
3 (d) of this subsection. If, after good faith efforts, the person informs the  
4 system that he has been unable to obtain the employment or medical  
5 information, the system shall assist the person in obtaining the records and  
6 may use the authority granted pursuant to KRS 61.685(1) to obtain the  
7 records. If the person fails to file, at the retirement office within one hundred  
8 eighty (180) days of the date the person filed his notification of retirement,  
9 any of the forms, certifications, or information required by this subsection, the  
10 person's application for disability retirement shall be void. Any subsequent  
11 filing of an application for disability retirement or supporting medical  
12 information shall not be evaluated, except as provided in paragraph (f) of this  
13 subsection or KRS 61.600(2).

14 (b) The employer shall file at the retirement office a complete description of the  
15 job and duties for which the person was last paid and shall submit a detailed  
16 description of reasonable accommodations attempted.

17 (c) The cost of medical examinations and the filing of the medical information,  
18 reports, or data with the retirement office shall be paid by the person applying  
19 for disability retirement.

20 (d) The system shall select three (3) medical examiners to evaluate the medical  
21 evidence submitted by the person. The medical examiners shall recommend  
22 that disability retirement be approved, or that disability retirement be denied.  
23 If there is evidence of a mental impairment, the medical examiners may  
24 request the board's licensed mental health professional to assist in determining  
25 the level of the mental impairment.

26 (e) If two (2) or more of the three (3) medical examiners recommend that the  
27 person be approved for disability retirement, the system shall make retirement

1           payments in accordance with the retirement plan selected by the person.

2           (f) If two (2) or more of the three (3) medical examiners recommend that the  
3           person be denied disability retirement, the system shall send notice of this  
4           recommendation by United States first-class mail to the person's last address  
5           on file in the retirement office. The person shall have one hundred eighty  
6           (180) days from the day that the system mailed the notice to file at the  
7           retirement office additional supporting medical information and certify to the  
8           retirement office that the application for disability retirement and supporting  
9           medical information are ready to be evaluated by the medical examiners or to  
10          appeal his denial of disability retirement by filing at the retirement office a  
11          request for a formal hearing. Any subsequent filing of an application for  
12          disability retirement or supporting medical information shall not be evaluated,  
13          except as provided in KRS 61.600(2).

14          (g) If two (2) or more of the three (3) medical examiners recommend that the  
15          person be approved for disability retirement based upon the evaluation of  
16          additional supporting medical information in accordance with paragraph (f) of  
17          this subsection, the system shall make retirement payments in accordance with  
18          the retirement plan selected by the person.

19          (h) If two (2) or more of the three (3) medical examiners recommend that the  
20          person be denied disability retirement based upon the evaluation of additional  
21          supporting medical information in accordance with paragraph (f) of this  
22          subsection, the system shall send notice of this recommendation by United  
23          States first-class mail to the person's last address on file in the retirement  
24          office. The person shall have one hundred eighty (180) days from the day that  
25          the system mailed the notice to appeal his denial of disability retirement by  
26          filing at the retirement office a request for a formal hearing.

27          (i) The medical examiners shall be paid a reasonable amount by the retirement

1 system for each case evaluated.

2 (j) Notwithstanding the foregoing provisions of this section, the system may pay  
3 for one (1) or more medical examinations of the person requested by the  
4 medical examiners for the purpose of providing medical information deemed  
5 necessary by the medical examiners. The system may require the person to  
6 submit to one (1) or more medical examinations.

7 (3) (a) Any person whose disability benefits have been reduced, discontinued, or  
8 denied pursuant to subsection (2)(f) or (2)(h) of this section may file at the  
9 retirement office a request for a formal hearing to be conducted in accordance  
10 with KRS Chapter 13B. The right to demand a formal hearing shall be limited  
11 to a period of one hundred eighty (180) days after the person had notice of the  
12 system's determination, as described in subsection (2)(f) or (2)(h) of this  
13 section. The request for a formal hearing shall be filed with the executive  
14 director, at the retirement office in Frankfort. The request for a formal hearing  
15 shall include a short and plain statement of the reasons the denial of disability  
16 retirement is being contested.

17 (b) Failure of the person to request a formal hearing within the period of time  
18 specified shall preclude the person from proceeding any further with the  
19 application for disability retirement, except as provided in KRS 61.600(2).  
20 This paragraph shall not limit the person's right to appeal to a court.

21 (c) The system may require the person requesting the formal hearing to submit to  
22 one (1) or more medical or psychological examinations. Notice of the time  
23 and place of the examination shall be mailed to the person or his legal  
24 representative. The system shall be responsible for the cost of the  
25 examination.

26 (d) A final order of the board shall be based on substantial evidence appearing in  
27 the record as a whole and shall set forth the decision of the board and the facts

1 and law upon which the decision is based.

2 (e) All requests for a hearing pursuant to this section shall be made in writing.

3 (4) The board may establish an appeals committee whose members shall be appointed  
4 by the chair and who shall have the authority to act upon the recommendations and  
5 reports of the hearing officer pursuant to this section on behalf of the board.

6 (5) Any person aggrieved by a final order of the board may seek judicial review after all  
7 administrative appeals have been exhausted by filing a petition for judicial review  
8 in the Franklin Circuit Court or the Circuit Court of the county where the person  
9 resides in accordance with KRS Chapter 13B.

10 (6) The system, pursuant to regulations, may refer an employee determined by it to be  
11 disabled to the Kentucky Office of Vocational Rehabilitation for evaluation and, if  
12 appropriate, retraining.

13 (a) The cost of the evaluation and retraining shall be paid by the system in  
14 accordance with the regulations established by the board.

15 (b) The member shall perform all acts that are necessary to enroll in and satisfy  
16 the requirements of Vocational Rehabilitation as prescribed by the board. This  
17 shall include the exchange of confidential information between Kentucky  
18 Retirement Systems and the Kentucky Office of Vocational Rehabilitation as  
19 necessary to conduct the rehabilitation process. Failure of the member to  
20 cooperate with the system or Vocational Rehabilitation may result in his  
21 disability allowance being discontinued, reduced, or denied until the member  
22 complies with the agency requests. If the refusal continues for one (1) year, all  
23 his rights to any further disability allowance shall cease.

24 ➔Section 45. KRS 61.685 is amended to read as follows:

25 (1) Notwithstanding the provisions of KRS Chapter 413, upon discovery of any error or  
26 omission in system records, the system shall correct all records including, but not  
27 limited to, membership in the system, service credit, member and employer

1 contributions, and benefits paid or payable. The system may conduct audits to detect  
 2 possible fraud, misrepresentation, and change in circumstance, which may result in  
 3 errors or omissions in the system's records. The system, by its executive director or  
 4 by representatives appointed in writing by the executive director, may take  
 5 testimony or depositions, and may examine records, documents, or files of any  
 6 person whose records, documents, or files may furnish knowledge concerning any  
 7 system records, when the executive director or representative deems this reasonably  
 8 necessary for purposes incident to the performance of the system's functions. The  
 9 system may enforce these powers by application to any~~the Franklin~~ Circuit Court  
 10 of competent jurisdiction, which court may compel compliance with the orders of  
 11 the executive director or representatives appointed by the executive director.

12 (2) Neither the board nor any of its individual members shall be liable to any person for  
 13 any claim arising from the failure of any participating employer, or any employer  
 14 who should have been participating in any retirement system operated by the board,  
 15 to make retirement contributions on behalf of the person.

16 ➔Section 46. KRS 63.075 is amended to read as follows:

17 In a proceeding for impeachment instituted by the House of Representatives without a  
 18 petition from any person, if the accused be acquitted he shall be entitled to his costs, to be  
 19 taxed by the clerk of the Senate against the Commonwealth. If the accused be convicted,  
 20 he shall pay the costs, to be taxed by the clerk and recovered by motion by the Attorney  
 21 General, in the~~Franklin~~ Circuit Court of the county where the General Assembly  
 22 conducted the proceeding.

23 ➔Section 47. KRS 63.180 is amended to read as follows:

24 (1) Any person serving as a nonelective peace officer or deputy peace officer in  
 25 violation of the provisions of KRS 61.300 shall be subject to removal. The Circuit  
 26 Court of the county in which such person is serving~~and the Circuit Court of~~  
 27 ~~Franklin County~~ shall have~~concurrent~~ jurisdiction of all proceedings for the

1 removal of any such person. The proceedings shall be in equity and the procedure  
2 shall be as set forth in subsections (2), (3) and (4) of this section.

3 (2) The Commonwealth's attorney of the judicial circuit or the county attorney of the  
4 county in which such person is serving, the Attorney General, or any three (3) or  
5 more citizens of said county may file a petition in equity setting forth the facts  
6 constituting a violation of the provisions of KRS 61.300. If instituted by the  
7 Commonwealth's attorney, county attorney or Attorney General, the proceeding  
8 shall be in the name of the Commonwealth, and if instituted by three (3) or more  
9 citizens, it shall be in the name of such citizens as plaintiffs. A copy of the petition  
10 shall be served upon the person complained against, who shall have ten (10) days in  
11 which to answer.

12 (3) Thereafter the proceeding shall be heard and determined by the court as a  
13 proceeding in equity. The court shall render a final judgment within sixty (60) days  
14 from the date the petition is filed, unless the court, for good cause shown, extends  
15 the time for the final hearing, but in no case shall it be extended beyond ninety (90)  
16 days from the date the petition is filed.

17 (4) If it appears upon final hearing that any nonelective peace officer or deputy peace  
18 officer is disqualified under the provisions of KRS 61.300, the court shall enter a  
19 judgment forthwith removing the officer from office.

20 ➔Section 48. KRS 65.7635 is amended to read as follows:

21 (1) Each CMRS provider shall act as a collection agent of the CMRS postpaid service  
22 charge for the CMRS fund. From its customers, the provider shall, as part of the  
23 provider's billing process, collect the CMRS postpaid service charges levied upon  
24 CMRS connections under KRS 65.7629(3) from each CMRS connection to whom  
25 the billing provider provides CMRS. Each billing provider shall list the CMRS  
26 postpaid service charge as a separate entry on each bill which includes a CMRS  
27 postpaid service charge. If a CMRS provider receives a partial payment for a

1 monthly bill from a CMRS customer, the provider shall first apply the payment  
2 against the amount the CMRS customer owes the CMRS provider. For CMRS  
3 customers who purchase CMRS services on a prepaid basis, the CMRS service  
4 charge shall be determined according to one (1) of the following methodologies as  
5 elected by the CMRS provider, until January 1, 2017, at which time the CMRS  
6 prepaid service charge imposed under KRS 65.7634 and collected under KRS  
7 142.100 to 142.135 shall take effect and paragraphs (a) and (b) of this subsection  
8 shall no longer be in force:

9 (a) The CMRS provider shall collect, on a monthly basis, the CMRS service  
10 charge specified in KRS 65.7629(3) from each active customer whose account  
11 balance is equal to or greater than the amount of service charge; or

12 (b) The CMRS provider shall divide its total earned prepaid wireless telephone  
13 revenue received with respect to its prepaid customers in the Commonwealth  
14 within the monthly 911 emergency service reporting period by fifty dollars  
15 (\$50), multiply the quotient by the service charge amount, and pay the  
16 resulting amount to the board.

17 (2) A CMRS provider has no obligation to take any legal action to enforce the  
18 collection of the CMRS postpaid service charges for which any CMRS customer is  
19 billed. Collection actions to enforce the collection of the CMRS postpaid service  
20 charge against any CMRS customer may, however, be initiated by the state, on  
21 behalf of the board, in the Circuit Court of the county where the bill for CMRS  
22 service is regularly delivered, and the reasonable costs and attorneys' fees which are  
23 incurred in connection with any such collection action may be awarded by the court  
24 to the prevailing party in the action.

25 (3) State and local taxes shall not apply to a separately stated CMRS postpaid service  
26 charge.

27 (4) To reimburse itself for the cost of collecting and remitting the CMRS postpaid

1 service charge, each CMRS provider may deduct and retain from the CMRS  
2 postpaid service charges it collects during each calendar month an amount not to  
3 exceed one and one-half percent (1.5%) of the gross aggregate amount of CMRS  
4 postpaid service charges it collected that month.

5 (5) All CMRS postpaid service charges imposed under KRS 65.7621 to 65.7643  
6 collected by each CMRS provider, less the administrative fee described in  
7 subsection (4) of this section, are due and payable to the board monthly and shall be  
8 remitted on or before thirty (30) days after the end of the calendar month. Collection  
9 actions may be initiated by the state, on behalf of the board, in the ~~Franklin~~ Circuit  
10 Court **in any county where the CMRS conducts business** or any other court of  
11 competent jurisdiction, and the reasonable costs and attorneys' fees which are  
12 incurred in connection with any such collection action may be awarded by the court  
13 to the prevailing party in the action.

14 ➔Section 49. KRS 65.7636 is amended to read as follows:

15 (1) As used in this section, "Lifeline provider" means a CMRS provider that the  
16 Kentucky Public Service Commission has deemed or deems eligible to participate  
17 in the wireless low-income Lifeline program and to receive reimbursement from the  
18 universal service fund managed by the Federal Communications Commission  
19 pursuant to the federal Telecommunications Act of 1996, 47 U.S.C. secs. 151 et  
20 seq.

21 (2) A Lifeline provider shall be liable for a CMRS service charge equal to the amount  
22 of the CMRS postpaid service charge levied under KRS 65.7629 and shall remit  
23 payment to the Kentucky 911 Services Board, less the administrative fee described  
24 in subsection (6) of this section, as follows:

25 (a) Beginning February 1, 2017, an amount equal to the product of the following  
26 factors:

27 1. The amount of the postpaid CMRS service charge levied under KRS

- 1                   65.7629; and
- 2                   2.    The number of unique end users with Kentucky addresses for which the
- 3                   Lifeline provider received reimbursement from the universal service
- 4                   fund during the immediately preceding month.
- 5                   (b) A Lifeline provider liable for the CMRS service charge levied under this
- 6                   subsection may bill and collect from each end user the charges calculated
- 7                   under this subsection with respect to each end user. The Lifeline provider
- 8                   shall determine the manner it uses to bill and collect the charges owed under
- 9                   this subsection. A Lifeline provider shall not bill or collect from an end user
- 10                  an amount greater than the charges paid by the Lifeline provider to the
- 11                  Kentucky 911 Services Board with respect to each end user.
- 12                 (3) Each Lifeline provider shall act as a collection agent of the service charge levied by
- 13                  this section for the CMRS fund. Each Lifeline provider shall list the service charge
- 14                  as a separate entry on any bill which includes the service charge.
- 15                 (4) A Lifeline provider has no obligation to take any legal action to enforce the
- 16                  collection of the service charge levied by this section. Collection actions to enforce
- 17                  the collection of the service charge against any CMRS customer may, however, be
- 18                  initiated by the state, on behalf of the board, in the Circuit Court of the county of
- 19                  residence of the end user, and the reasonable costs and attorney's fees which are
- 20                  incurred in connection with any such collection action may be awarded by the court
- 21                  to the prevailing party in the action.
- 22                 (5) State and local taxes shall not apply to a separately stated service charge levied by
- 23                  this section.
- 24                 (6) To reimburse itself for the cost of collecting and remitting the service charge levied
- 25                  by this section, each Lifeline provider may deduct and retain from the service
- 26                  charges it collects during each calendar month an amount not to exceed one and
- 27                  one-half percent (1.5%) of the gross aggregate amount of the service charges it

1 collected that month.

2 (7) All service charges levied by this section collected by each Lifeline provider, less  
3 the administrative fee described in subsection (6) of this section, are due and  
4 payable to the board monthly and shall be remitted on or before thirty (30) days  
5 after the end of the calendar month. Collection actions may be initiated by the state,  
6 on behalf of the board, in the ~~Franklin~~ Circuit Court **in any county where the**  
7 **Lifeline provider conducts business** or any other court of competent jurisdiction,  
8 and the reasonable costs and attorney's fees which are incurred in connection with  
9 any such collection action may be awarded by the court to the prevailing party in the  
10 action.

11 (8) Nothing in this section shall be interpreted or otherwise construed to impact  
12 litigation pending in the courts of the Commonwealth commencing on or before  
13 March 1, 2016, regarding the application of CMRS fees imposed prior to January 1,  
14 2017, to CMRS providers receiving reimbursement from the universal service fund.

15 ➔Section 50. KRS 66.310 is amended to read as follows:

16 (1) No county may issue bonds which, together with all other net indebtedness of the  
17 county plus the principal amount of any outstanding self-supporting obligations, is  
18 in excess of one-half of one percent (0.5%) of the value of the taxable property  
19 therein, as determined by the next preceding certified assessment, without having  
20 first secured the written approval of the state local debt officer. Any other bonds to  
21 be issued by any county may be submitted for approval as hereinafter provided.  
22 When the fiscal court of any county has petitioned the state local debt officer under  
23 KRS 66.320 for assistance in formulating a plan for reorganizing its debt structure,  
24 or has received the approval of any issue of county bonds voluntarily as provided in  
25 this section, all bonds thereafter issued by the county must be approved as provided  
26 in this section.

27 (2) Without the approval of the state local debt officer a county may not lease, as

1 lessee, a building or public facility that has been or is to be financed at the county's  
2 request or on its behalf through the issuance of bonds by another public body or by  
3 a nonprofit corporation serving as an agency and instrumentality of the county for  
4 that purpose, unless the bonds, if issued by the county itself as its own general  
5 obligations, would be exempt under the provisions of subsection (1) *of this section.*  
6 If his or her approval is required, the state local debt officer shall hold a hearing for  
7 the purpose of considering the terms of the lease upon the same basis as is provided  
8 under subsections (3) and (4) of this section, and interested parties shall have the  
9 same right of appeal as is therein provided. This subsection does not apply to leases  
10 entered into before July 1, 1964, nor to renewals thereafter of leases entered into  
11 before that date, nor to bonds referred to in this subsection if those bonds have been  
12 sold prior to that date, whether or not actually delivered to the purchaser or  
13 purchasers thereof before that date.

14 (3) The state local debt officer shall hold a hearing in accordance with KRS Chapter  
15 13B for the purpose of determining whether any issue of bonds submitted to him or  
16 her for approval should be approved or disapproved. The state local debt officer  
17 shall provide notice of the hearing to the county judge/executive of the county  
18 proposing to issue bonds, and the county judge/executive shall cause a copy of that  
19 notice to be published not less than twenty (20) days in advance of the date set for  
20 the hearing. Any person having a material interest in the issuance of the bonds shall  
21 have an opportunity to be heard and to present evidence at the hearing held by a  
22 hearing officer appointed by the state local debt officer. A record of the proceedings  
23 of the hearing shall be made, and the state local debt officer shall review the record  
24 and prepare a written decision approving or disapproving the issuance of the  
25 proposed bonds. The decision shall set forth the findings of fact upon which the  
26 state local debt officer bases his or her decision. On the day that the state local debt  
27 officer issues a decision, he or she shall mail a copy to the county judge/executive

1 of the county proposing to issue the bonds and to any person who attended the  
2 hearing and requested to receive a copy of the decision.

3 (4) The state local debt officer shall disapprove the issuance of the proposed bonds if he  
4 or she finds that one (1) or more of the following conditions exist:

5 (a) The financial condition and prospects of the county do not warrant a  
6 reasonable expectation that interest and principal maturities can be met when  
7 due without seriously restricting other expenditures of the county, including  
8 the debt service on the other outstanding obligations of the county;

9 (b) The issue of bonds will not serve the best interests of both the county issuing  
10 the bonds and a majority of its creditors; or

11 (c) The bonds or the issuance thereof will be invalid.

12 (5) If the state local debt officer is petitioned by any county to approve the issuance of  
13 bonds to refund outstanding county bonds, and if the state local debt officer is  
14 unable to find that the bonds sought to be refunded were in their entirety validly  
15 issued, he or she shall nevertheless find that bonds may be issued validly for the  
16 purpose of refunding the bonds, in equivalent or lesser par principal amount,  
17 provided that the interest rate to be borne by the refunding bonds shall be sufficient  
18 to make possible their liquidation within their life at no greater average annual cost  
19 to the county than would be required to liquidate, within the same number of years,  
20 the portion of the outstanding indebtedness found to be valid at the interest rate  
21 borne by it before refunding.

22 (6) Within thirty (30) days after the date of a decision by the state local debt officer  
23 approving a county's proposal to issue bonds, any interested party or taxpayer of the  
24 county may appeal to the Circuit Court of the county proposing to issue the bonds.  
25 Appeal shall be taken by filing a complaint with the clerk of the court and serving a  
26 copy of the complaint upon the state local debt officer by certified mail, return  
27 receipt requested. The fiscal court and, in the case of funding or refunding bonds,

1 the creditors whose claims or bonds are proposed to be funded or refunded, shall be  
2 made parties to the appeal. The state local debt officer shall not be named as a party  
3 to an appeal under this subsection, but shall be allowed to intervene in the appeal  
4 upon his or her motion. Summons shall be served and class representatives  
5 designated as provided in the Rules of Civil Procedure. Within thirty (30) days of  
6 receipt of the complaint, the state local debt officer shall certify and file a copy of  
7 the record of the proceedings and his or her decision with the Circuit Court.

8 (7) A county proposing to issue bonds may appeal a decision of the state local debt  
9 officer disapproving the issuance of the bonds by filing a complaint with the  
10 Franklin Circuit Court or the Circuit Court of that county within thirty (30) days  
11 after the date of the decision. The state local debt officer shall be named as a  
12 defendant in an appeal under this subsection. Summons shall be issued and served  
13 as provided in the Rules of Civil Procedure. With his or her answer, the state local  
14 debt officer shall certify and file a copy of the record of the proceedings and his or  
15 her decision.

16 (8) Appeals to the Circuit Court shall be advanced on the docket and shall be heard and  
17 decided upon the record certified by the state local debt officer. The findings of fact  
18 of the state local debt officer shall be final if supported by any substantial evidence;  
19 however, if only the question of the validity of the bonds proposed to be funded or  
20 refunded is in issue, additional evidence relating to the validity of the bonds may be  
21 presented.

22 (9) An appeal may be taken from the Circuit Court to the Court of Appeals in the  
23 manner provided in the Rules of Civil Procedure.

24 (10) If no appeal is taken from the approval of a bond issue by the state local debt officer  
25 as provided in this section, the decision as to the legality of the bonds shall be res  
26 judicata in any subsequent case or cases raising the question of their legality.

27 (11) Record of the approval of bonds as provided in this section shall be made in the

1 minutes of the next meeting of the fiscal court of the county issuing the bonds so  
2 approved, and copies of all decisions of the state local debt officer shall be filed  
3 with the Secretary of State.

4 (12) As used in this section, bonds means bonds and obligations.

5 ➔Section 51. KRS 66.370 is amended to read as follows:

6 (1) A county may, by order of its fiscal court, surrender to the state local debt officer,  
7 Department for Local Government, all money in hand, notes, bonds, accounts, or  
8 other credits representing assets available, and any other sums which may hereafter  
9 become available from any and all sources, for paying the principal and interest of  
10 any bonded debt of the county; however, if a county surrenders the sinking fund for  
11 any bond issue payable either from the tax levy authorized by Section 157 or by  
12 Section 157a of the Constitution of Kentucky or from any special tax levy  
13 authorized by law, it shall also surrender the sinking funds for all other bonds  
14 payable from the same tax levy as herein defined. The surrender shall be irrevocable  
15 on the part of the county. Any county which has a bond issue approved under KRS  
16 66.310 may comply with the provisions of this subsection with respect to the  
17 sinking funds for the bonds thus approved and for any other bonds payable from the  
18 same tax levy as herein defined.

19 (2) All cash received under this section by the state local debt officer, Department for  
20 Local Government, shall be deposited with the commissioner, Department for Local  
21 Government, to the credit of a fund designated the "county sinking fund." All assets  
22 other than cash shall be deposited with the commissioner, Department for Local  
23 Government, and shall be liquidated, upon authorization of the commissioner,  
24 within a reasonable time.

25 (3) The county treasurer of any county complying with the provisions of this section  
26 shall remit monthly to the state local debt officer, Department for Local  
27 Government, all moneys received from any tax levy made for the exclusive purpose

1 of paying principal and interest on any bonds. Any moneys appropriated in the  
2 county budget from any other source or any moneys required by law to be used for  
3 the same purpose shall be remitted as required for paying any principal or interest  
4 maturities, or both, or meeting sinking fund requirements. The state local debt  
5 officer, Department for Local Government, may institute actions in the ~~Franklin~~  
6 Circuit Court *of that county* to enforce the provisions of this subsection or to  
7 recover any funds that may have been misapplied.

8 (4) Accounts showing the county sinking fund receipts and disbursements shall be kept  
9 by the state local debt officer, Department for Local Government, for each bond  
10 issue of each county for which deposits are made in the fund. As of the close of the  
11 county fiscal year the state local debt officer, Department for Local Government,  
12 shall, within thirty (30) days thereafter, render to the county judge/executive of each  
13 county having deposits in the fund a statement thereof for each bond issue of that  
14 county. On or about the first day of May of each year, the state local debt officer,  
15 Department for Local Government, shall deliver to the county judge/executive an  
16 estimate of the principal and interest requirements of outstanding bonds issued by  
17 that county or of the proportionate annual amount which should be deposited in a  
18 sinking fund.

19 (5) Disbursements from the county sinking fund shall, when authorized by the state  
20 local debt officer, Department for Local Government, be made in the same manner  
21 as other claims on the Commonwealth are paid. Disbursements may be made only  
22 for:

23 (a) The payment of principal or interest, or both, of the bonds for which the  
24 deposit was made; and

25 (b) The investment of the funds as authorized by law.

26 (6) All coupons and bonds for the payment of which deposits are made in the county  
27 sinking fund shall be paid either directly by the state local debt officer, Department

1 for Local Government, or by the bank designated as paying agent. That bank may be  
2 paid a reasonable fee for its services by the Department for Local Government out  
3 of its appropriation. All paid bonds and coupons shall be surrendered to the state  
4 local debt officer and canceled and shall be delivered to the judge/executive of each  
5 county along with the annual statement provided for in this section.

6 ➔Section 52. KRS 74.012 is amended to read as follows:

- 7 (1) Prior to the establishment of any water district as provided by KRS 74.010, and  
8 prior to the incorporation or formation of any nonprofit corporation, association or  
9 cooperative corporation having as its purpose the furnishing of a public water  
10 supply (herein referred to as a "water association"), a committee of not less than five  
11 (5) resident freeholders of the geographical area sought to be served with water  
12 facilities by the proposed district or the proposed water association shall formally  
13 make application to the Public Service Commission of Kentucky in such manner  
14 and following such procedures as the Public Service Commission may by regulation  
15 prescribe, seeking from the commission the authority to petition the appropriate  
16 county judge/executive for establishment of a water district, or to proceed to  
17 incorporate or otherwise create a water association. The commission shall  
18 thereupon set the application for formal public hearing, and shall give notice to all  
19 other water suppliers, whether publicly owned or privately owned, and whether or  
20 not regulated by the commission, rendering services in the general area proposed to  
21 be served by said water district or water association, and to any planning and zoning  
22 or other regulatory agency or agencies with authority in the general area having  
23 concern with the application. The commission may subpoena and summon for  
24 hearing purposes any persons deemed necessary by the commission in order to  
25 enable the commission to evaluate the application of the proponents of said  
26 proposed water district or water association, and reach a decision in the best  
27 interests of the general public. Intervention by any interested parties, water

1 suppliers, municipal corporations, and governmental agencies shall be freely  
2 permitted at such hearing.

3 (2) The public hearing shall be conducted by the commission pursuant to the provisions  
4 of KRS 278.020. At the time of the hearing, no employment of counsel or of  
5 engineering services shall have been made to be paid from water district funds,  
6 water association funds, or made a charge in futuro against water district or water  
7 association funds, if formation of such water district or water association is  
8 permitted by the commission.

9 (3) Before the Public Service Commission shall approve any application for creation of  
10 a water district or water association, the commission must make a finding and  
11 determination of fact that the geographical area sought to be served by such  
12 proposed water district or water association cannot be feasibly served by any  
13 existing water supplier, whether publicly or privately owned, and whether or not  
14 subject to the regulatory jurisdiction of the commission. If it shall be determined  
15 that the geographical area sought to be served by the proposed water district or  
16 water association can be served more feasibly by any other water supplier, the  
17 commission shall deny the application and shall hold such further hearings and  
18 make such further determinations as may in the circumstances be appropriate in the  
19 interests of the public health, safety and general welfare.

20 (4) Any order entered by the commission in connection with an application for creation  
21 of a water district or water association shall be appealable to the Franklin Circuit  
22 Court or to the Circuit Court of any county in which a portion of the district is  
23 located as provided by KRS 278.410.

24 ➔Section 53. KRS 78.535 is amended to read as follows:

25 (1) If a participating county fails to fully comply with the provisions of KRS 78.510 to  
26 78.852, the board may require the county to involuntarily cease participation in the  
27 system as provided by KRS 61.522.

1 (2) In lieu of cessation of participation of a county which fails to fully comply with the  
2 provisions of KRS 78.510 to 78.852, the board may file an action in the~~Franklin~~  
3 Circuit Court of that county to collect money owed and to attach so much of the  
4 general fund of the delinquent county as is necessary to achieve full compliance  
5 with the provisions of KRS 78.625.

6 ➔Section 54. KRS 78.625 is amended to read as follows:

7 (1) The agency reporting official of the county shall file the following at the retirement  
8 office on or before the tenth day of the month following the period being reported:

9 (a) The employee and employer contributions required under KRS 78.610,  
10 61.565, and 61.702;

11 (b) The employer contributions and reimbursements for retiree health insurance  
12 premiums required under KRS 61.637; and

13 (c) A record of all contributions to the system on the forms prescribed by the  
14 systems.

15 (2) (a) If the agency reporting official fails to file at the retirement office all  
16 contributions and reports on or before the tenth day of the month following  
17 the period being reported, interest on the delinquent contributions at the  
18 actuarial rate adopted by the board compounded annually, but not less than  
19 one thousand dollars (\$1,000), shall be added to the amount due the system.

20 (b) Delinquent contributions, with interest at the rate adopted by the board  
21 compounded annually, or penalties may be recovered by action in the~~Franklin~~  
22 ~~Franklin~~ Circuit Court of the delinquent county against the county liable or  
23 may, at the request of the board, be deducted from any other moneys payable  
24 to the county by any department or agency of the state.

25 (3) If an agency is delinquent in the payment of contributions due in accordance with  
26 any of the provisions of KRS 78.510 to 78.852, refunds and retirement allowance  
27 payments to members of this agency may be suspended until the delinquent

1 contributions, with interest at the rate adopted by the board compounded annually,  
2 or penalties have been paid to the system.

3 ➔Section 55. KRS 117.022 is amended to read as follows:

4 The Attorney General, the Secretary of State, and the State Board of Elections, by mutual  
5 agreement, may petition the Franklin Circuit Court or the Circuit Court of any county  
6 where the declaration is to be effective to declare that an election crisis exists in a county  
7 where there is evidence of sufficient malfeasance, nonfeasance, or criminal activity to  
8 jeopardize a free and equal election in that county and to authorize the State Board of  
9 Elections to assume responsibility for the management of the election in that county. If  
10 ~~the~~ [Franklin] Circuit Court makes that declaration and grant of authority, the State Board  
11 of Elections shall appoint an election manager for that county to serve for the duration of  
12 the election cycle and the county clerk, county board of elections, precinct election  
13 officers, and any other person participating in the election process in that county shall be  
14 subject to the direction of the election manager.

15 ➔Section 56. KRS 120.017 is amended to read as follows:

16 (1) It shall be the duty of precinct election officers at all primary, regular, or special  
17 elections to immediately report to the county clerk any administrative or clerical  
18 error discovered in the process of conducting the polling or tabulation of votes at  
19 any such election.

20 (2) Upon receipt by the county clerk of notice of error in conducting the polling or  
21 tabulation of votes pursuant to subsection (1) of this section, the county clerk shall  
22 file an action in the Circuit Court, within fifteen (15) days of the election,  
23 requesting a recount of ballots for the precinct reporting the administrative or  
24 clerical error. Simultaneously with the filing of such action, the county clerk shall  
25 make written notice by regular mail to all candidates appearing on the ballot of the  
26 precinct at issue that such action is being filed. Actions shall be filed in the ~~In the~~  
27 ~~case of an election for candidates for offices for the state at large or an election on a~~

1       ~~statewide public question, the action shall be filed in the~~ Franklin Circuit Court  
2       ~~or~~; ~~in the case of other elections, the action shall be filed~~ in the Circuit Court of  
3       the county in which the precinct reporting the error is located.

4       (3) An action filed in the Circuit Court of proper jurisdiction pursuant to this section  
5       shall be heard summarily and without delay. Upon filing of the action, the circuit  
6       clerk shall immediately notify the Circuit Judge, and the judge shall at once enter an  
7       order directing custody of the voting machine, the ballots, boxes and all papers  
8       pertaining to the election from that precinct claiming error, to be transferred to the  
9       Circuit Court, and fix a day for the recount proceeding to begin.

10      (4) Candidates notified pursuant to subsection (3) of this section shall, upon proper  
11      motion, be made parties to the action.

12      (5) On the day fixed for the recount, the court shall proceed to recount the ballots if  
13      their integrity is satisfactorily shown and shall complete the recount as soon as  
14      practicable, and shall file and enter of record the results thereof.

15      (6) Any person made party to the action pursuant to subsection (4) of this section may  
16      appeal from the judgment to the Court of Appeals, in the same manner as provided  
17      in KRS 120.075.

18      (7) The county clerk shall certify the final recount results entered of record in any  
19      action filed pursuant to this section to the county board of elections and to the local  
20      governing body of each of two (2) dominant political parties. Final certification of  
21      election results shall then proceed according to KRS Chapters 117, 118, and 118A.

22      ➔Section 57. KRS 120.055 is amended to read as follows:

23      Any candidate or slate of candidates for nomination to office at a primary election held  
24      under the provisions of KRS 118.015 to 118.035 and 118.105 to 118.255, or any  
25      candidate for nomination to a city office at a primary election for which the statutes do  
26      not otherwise provide for determining contest elections, for whom a number of votes was  
27      cast equal to not less than fifty percent (50%) of the votes cast for the successful

1 candidate or slate of candidates for nomination to the office, may contest the right of the  
2 successful candidate or slate of candidates, and of any other candidate or slate of  
3 candidates for nomination to the office, to the nomination, by filing a petition in the  
4 Circuit Court within ten (10) days from the day of the primary election, stating the  
5 specific grounds relied upon for the contest, and causing a summons to be issued,  
6 returnable in seven (7) days. ~~The~~~~[In the case of candidates or slates of candidates for~~  
7 ~~offices for the state at large, the]~~ petition shall be filed in the Franklin Circuit Court or;  
8 ~~in the case of other candidates it shall be filed]~~ in the Circuit Court of the county in which  
9 the contestee resides. The summons may be personally served on the contestee in any  
10 county, or it may be served by leaving a copy at his home with a member of his family  
11 over sixteen (16) years of age, or by posting a copy on the door of his residence. The  
12 contestee shall file his answer within seven (7) days after service of summons. The  
13 answer may contain grounds of contest in favor of the contestee and against the  
14 contestant, but the grounds shall be specifically set out. Any candidate or slate of  
15 candidates who would have been qualified to bring a contest action under  
16 this section, who is a party to a recount proceeding brought under KRS 120.095, may, by  
17 filing an answer in the recount proceeding within the time allowed by this section for  
18 filing grounds of contest, set forth grounds of contest against the petitioner in the recount  
19 proceeding. No ground of contest by either party shall be filed or made more definite by  
20 amendment after the expiration of the time allowed by this section for filing the original  
21 pleading. The contestant may file a reply within five (5) days after answer is filed, which  
22 shall complete the pleading, and any affirmative matter in the reply shall be treated as  
23 controverted. Upon return of the summons, properly executed, to the office of the circuit  
24 clerk of the county in which the action is pending, the clerk shall immediately docket the  
25 cause and notify the presiding judge of the court that the contest has been instituted, and  
26 the judge shall proceed to a trial of the cause within five (5) days after the issue was  
27 joined. In judicial circuits having more than one (1) Circuit Judge, the judge who shall

1 hear the cause shall be determined by lot.

2 ➔Section 58. KRS 120.155 is amended to read as follows:

3 Any candidate for election to any state, county, district or city office (except the office of  
4 Governor, Lieutenant Governor, member of the General Assembly, and those city offices  
5 as to which there are other provisions made by law for determining contest elections), for  
6 whom a number of votes was cast equal to not less than twenty-five percent (25%) of the  
7 number of votes cast for the successful candidate for the office, may contest the election  
8 of the successful candidate, by filing a petition in the Circuit Court of the county where  
9 the contestee resides or~~[, unless the officer is one (1) elected by the voters of the whole~~  
10 ~~state, in which case the petition shall be filed]~~ in the Franklin Circuit Court. The petition  
11 shall be filed and process issued within thirty (30) days after the day of election; it shall  
12 state the grounds of the contest relied on, and no other grounds shall afterwards be relied  
13 upon. The contestee shall file an answer within twenty (20) days after the service of  
14 summons upon him. The answer may consist of a denial of the averments of the petition  
15 and may also set up grounds of contest against the contestant; if grounds are so set up  
16 they shall be specifically pointed out and none other shall thereafter be relied upon by the  
17 party. Any candidate who would have been qualified to bring a contest action under this  
18 section, who is a party to a recount proceeding under KRS 120.185, may, by filing answer  
19 in the recount proceeding within the time allowed by this section for filing grounds of  
20 contest, set forth grounds of contest against the petitioner in the recount proceeding. A  
21 reply may be filed within ten (10) days after the answer is filed; its affirmative allegations  
22 shall be treated as controverted, and no subsequent pleading shall be allowed.

23 ➔Section 59. KRS 120.280 is amended to read as follows:

24 (1) Any elector who was qualified to and did vote on any constitutional convention,  
25 constitutional amendment, or statewide public question submitted to the voters of  
26 the state for their ratification or rejection may contest the election or demand a  
27 recount of the ballots by filing a petition, not more than fifteen (15) days after the

1 official canvass and the announcement of the vote for the state by the State Board of  
2 Elections, with the clerk of the Franklin Circuit Court or the Circuit Court of the  
3 county of the person's residence~~], which court shall have exclusive jurisdiction to~~  
4 ~~hear and determine all matters in such cases~~]. The petition shall set forth the  
5 grounds of the contest. The contestant may file with the clerk of the ~~Franklin~~  
6 Circuit Court and the Secretary of State a notice of his intention to contest the  
7 election before the announcement of the official count by the State Board of  
8 Elections and thereupon the Secretary of State shall forthwith notify all the county  
9 boards of elections in the counties involved in the contest to hold the ballots cast at  
10 the election on the question subject to the order of the ~~Franklin~~ Circuit Court. The  
11 notice shall be served by the Secretary of State by mailing a true and certified copy  
12 of the notice of contest, and the order to hold the ballots subject to the order of the  
13 court, by certified mail, return receipt requested, to the sheriffs of the counties in  
14 question, and the sheriffs shall forthwith acknowledge receipt thereof.

15 (2) The court shall, within five (5) days after the filing of the petition of contest,  
16 determine whether there are sufficient grounds stated to justify the contest, and shall  
17 thereupon require the contestants to give bonds for costs. All of the hearings  
18 relating to the contest shall be held in the courthouse ~~of Franklin County~~].

19 (3) The clerk of the ~~Franklin~~ Circuit Court shall cause a notice of the contest to be  
20 published pursuant to KRS Chapter 424, setting out the substance or the grounds of  
21 contest alleged by the contestants.

22 (4) Any elector who participated in the election on the convention, amendment, or  
23 statewide public question may make himself a party as contestee in the action by  
24 filing his petition to be made a party not later than five (5) days after the contest is  
25 instituted, and by giving bond of the costs as required of the contestant. If no elector  
26 makes himself a party to the contest, the Commonwealth's attorney for the ~~Franklin~~  
27 Circuit Court in which the action is filed shall attend the trial of the

1 cause, and he may file motions and pleadings in the cause on behalf of the  
2 Commonwealth to ensure~~[insure]~~ a fair and honest determination of the contest.

3 (5) All laws relating to contested elections for state offices shall apply with equal force  
4 to contests of the character contemplated by this section, except as otherwise  
5 provided in this section and in KRS 120.290.

6 ➔Section 60. KRS 120.290 is amended to read as follows:

7 (1) If a contest instituted under KRS 120.280 involves the recount of ballots, and the  
8 court has determined that the petition of contest presents sufficient grounds, the  
9 court shall immediately order the ballots of the counties and precincts in which the  
10 recount is demanded sent to the courthouse where the court is sitting~~[at Frankfort]~~,  
11 in a manner designated in the order. The court may appoint two (2) special  
12 commissioners to help make the recount, who shall receive three dollars (\$3) per  
13 day and their actual traveling expenses, when approved by the court~~[Franklin  
14 Circuit Court]~~. The attorneys representing the contestant and the Commonwealth's  
15 attorney representing the contestee may be present at all hearings on the recount.  
16 The contestant and contestee shall each be entitled to appoint one (1) inspector, who  
17 shall be allowed to witness the recount.

18 (2) The result of the recount of ballots shall be reported to the court within three (3)  
19 days after it has been completed, together with all the disputed ballots and any  
20 ballots not counted. After inspecting and passing on the disputed and uncounted  
21 ballots, the court shall add such of them as are found to be legal to the number of  
22 legal ballots determined by the recount. If the court finds that any ballots were  
23 procured by fraud, duress, bribery, intimidation, or for valuable consideration, they  
24 shall be rejected as illegal and void. If there has been such error, fraud or other  
25 irregularity as to make it impossible to ascertain the correct result in any precinct,  
26 the ballots from that precinct shall be thrown out and considered void. The vote  
27 from a precinct shall not be counted if the contestants prove that there was bribery

1 or intimidation of the electors in that precinct and the court finds that the  
2 contestants were in the minority in that precinct and were not in any way implicated  
3 in the bribery or fraud complained of.

4 ➔Section 61. KRS 121.140 is amended to read as follows:

5 (1) Upon the sworn complaint of any person, or on its own initiative, the registry shall  
6 investigate alleged violations of campaign finance law. In conducting any  
7 investigation, the registry shall have the power of subpoena and may compel  
8 production of evidence including the financial records of any person determined by  
9 the registry to be vital to the investigation. The records subject to subpoena include,  
10 but are not limited to, a person's bank records and other relevant documents, but  
11 excluding individual and business income tax records.

12 (2) If the registry concludes that there is probable cause to believe that the law has been  
13 violated, the registry shall notify the alleged violator of its conclusions and the  
14 evidence supporting them, and shall offer the alleged violator a conciliation  
15 agreement to resolve the issue. A conciliation agreement may require the alleged  
16 violator to comply with one (1) or more of the following:

17 (a) To cease and desist violations of the law;

18 (b) To file required reports or other documents or information;

19 (c) To pay a penalty not to exceed one hundred dollars (\$100) a day, up to a  
20 maximum total fine of five thousand dollars (\$5,000), for failure to file any  
21 report, payment of an administrative fee, or other document or information  
22 required by law until the report, fee payment, document, or information is  
23 filed; except that there shall be no maximum total fine for candidates for  
24 statewide office; or

25 (d) To pay a penalty not to exceed five thousand dollars (\$5,000) per violation for  
26 acts of noncompliance with provisions contained within this chapter.

27 (3) To accept a conciliation agreement, an alleged violator shall deliver the signed

1 agreement to the registry either in person or by mail postmarked not later than ten  
2 (10) days after the day he received it. The registry may institute a civil action in  
3 Franklin Circuit Court or the Circuit Court for the county of the violator's residence  
4 to enforce the provisions of any conciliation agreement accepted by a violator who  
5 is not complying with its provisions.

6 (4) If the alleged violator declines to accept the conciliation agreement or fails to  
7 respond within the time allowed, the registry shall submit a written request to the  
8 Chief Justice of the Kentucky Supreme Court to recommend not fewer than five (5)  
9 nor more than ten (10) retired or former justices or retired or former judges of the  
10 Court of Justice who are qualified and willing to conduct a hearing to determine if a  
11 violation has occurred. Upon receipt of the recommendations of the Chief Justice,  
12 the registry shall randomly select one (1) retired or former justice or judge from the  
13 list to conduct the hearing, which shall be held in accordance with the Kentucky  
14 Rules of Civil Procedure, or, if the Chief Justice declines to make  
15 recommendations, the registry, on its own initiative, shall request retired or former  
16 justices or judges to serve. The time and location of hearings shall be determined by  
17 the registry. Retired or former justices or judges selected to serve shall receive  
18 reimbursement from the registry for their reasonable and necessary expenses  
19 incurred as a result of the performance of their duties at the hourly rate set for  
20 attorneys by the Finance and Administration Cabinet. The registry shall notify the  
21 complainant and the alleged violator that a hearing shall be conducted of the  
22 specific offenses alleged not less than thirty (30) days prior to the date of the  
23 hearing. At the hearing, which shall be open to the public pursuant to KRS 61.810,  
24 the attorney for the registry shall present the evidence against the alleged violator,  
25 and the alleged violator shall have all of the protections of due process, including,  
26 but not limited to, the right to be represented by counsel, the right to call and  
27 examine witnesses, the right to the production of evidence by subpoena, the right to

1 introduce exhibits and the right to cross-examine opposing witnesses. If the justice  
2 or judge determines that the preponderance of the evidence shows a violation has  
3 occurred, the justice or judge shall render a decision not more than sixty (60) days  
4 after the case is submitted for determination. The decision shall become the final  
5 decision of the registry unless the registry board at its next regular meeting acts to  
6 set aside or modify the justice's or judge's decision, in which case the registry  
7 board's decision shall become the final registry decision. A party adversely affected  
8 by the registry's order may appeal to Franklin Circuit Court or the Circuit Court of  
9 the county of the person's residence within thirty (30) days after the date of the  
10 registry's order. The violator may be ordered to comply with any one (1) or more of  
11 the following requirements:

12 (a) To cease and desist violation of this law;  
13 (b) To file any reports or other documents or information required by this law;  
14 (c) To pay a penalty not to exceed one hundred dollars (\$100) a day, up to a  
15 maximum total fine of five thousand dollars (\$5,000), for failure to file any  
16 report, payment of an administrative fee, or other document or information  
17 required by law until the report, fee payment, document, or information is  
18 filed; except that there shall be no maximum total fine for candidates for  
19 statewide office; or

20 (d) To pay a penalty not to exceed five thousand dollars (\$5,000) per violation for  
21 acts of noncompliance with provisions contained within this chapter. An  
22 appeal of an order shall be advanced on the docket to permit a timely decision.

23 (5) If the registry concludes that there is probable cause to believe that the campaign  
24 finance law has been violated knowingly, it shall refer the violation to the Attorney  
25 General or the appropriate Commonwealth's or county attorney for prosecution. The  
26 Attorney General may request the registry's attorney or the appropriate county or  
27 Commonwealth's attorney to prosecute the matter and may request from the registry

1 all evidence collected in its investigation. In the event the Attorney General or the  
2 appropriate local prosecutor fails to prosecute in a timely fashion, the registry may  
3 petition the Circuit Court to appoint the registry's attorney to prosecute, and upon a  
4 motion timely filed, for good cause shown, the court shall enter an order to that  
5 effect. Prosecutions involving campaign finance law violations, in which the reports  
6 are required to be filed in Frankfort, ~~shall~~<sup>may</sup> be conducted in Franklin Circuit  
7 Court or in the Circuit Court for the county in which the contribution or expenditure  
8 constituting a campaign finance violation was solicited, made, or accepted. The  
9 prosecution of a person who unlawfully solicits, makes, or accepts a contribution or  
10 expenditure through the use of the mail may be conducted in the Circuit Court for  
11 the county in which the solicitation is mailed, the county in which the contribution  
12 is mailed or received, or the county in which the expenditure is mailed.

13 (6) Any person directly involved or affected by an action of the registry which is final,  
14 other than of a determination to refer a violation to the Attorney General or  
15 appropriate Commonwealth's or county attorney for prosecution, may seek judicial  
16 review of the action within thirty (30) days after the date of the action.

17 (7) If judicial review is sought of any action of the registry relating to a pending  
18 election, the matter shall be advanced on the docket of the court. The court may take  
19 any steps authorized by law to accelerate its procedures so as to permit a timely  
20 decision.

21 ➔Section 62. KRS 131.130 is amended to read as follows:

22 Without limitation of other duties assigned to it by law, the following powers and duties  
23 are vested in the Department of Revenue:

24 (1) The department may promulgate administrative regulations, and direct proceedings  
25 and actions, for the administration and enforcement of all tax laws of this state. To  
26 assist taxpayers in understanding and interpreting the tax laws, the department may,  
27 through incorporation by reference, include examples as part of any administrative

1 regulation. The examples may include demonstrative, nonexclusive lists of items if  
2 the department determines the lists would be helpful to taxpayers in understanding  
3 the application of the tax laws.

4 (2) The department, by representatives it appoints in writing, may take testimony or  
5 depositions, and may examine hard copy or electronic records, any person's  
6 documents, files, and equipment if those records, documents, or equipment will  
7 furnish knowledge concerning any taxpayer's tax liability, when it deems this  
8 reasonably necessary to the performance of its functions. The department may  
9 enforce this right by application to the Circuit Court in the county where the person  
10 is domiciled or has his or her principal office,~~[or by application to the Franklin~~  
11 ~~Circuit Court,]~~ which courts may compel compliance with the orders of the  
12 department.

13 (3) The department shall prescribe the style, and determine and enforce the use or  
14 manner of keeping, of all assessment and tax forms and records employed by state  
15 and county officials, and may prescribe forms necessary for the administration of  
16 any revenue law.

17 (4) The department shall advise on all questions respecting the construction of state  
18 revenue laws and its application to various classes of taxpayers and property.

19 (5) Attorneys employed by the Finance and Administration Cabinet and approved by  
20 the Attorney General as provided in KRS 15.020 may prosecute all violations of the  
21 criminal and penal laws relating to revenue and taxation. If a Finance and  
22 Administration Cabinet attorney undertakes any of the actions prescribed in this  
23 subsection, that attorney shall be authorized to exercise all powers and perform all  
24 duties in respect to the criminal actions or proceedings which the prosecuting  
25 attorney would otherwise perform or exercise, including the authority to sign, file,  
26 and present any complaints, affidavits, information, presentments, accusations,  
27 indictments, subpoenas, and processes of any kind, and to appear before all grand

- 1       juries, courts, or tribunals.
- 2       (6) In the event of the incapacity of attorneys employed by the Finance and  
3       Administration Cabinet or at the request of the secretary of the Finance and  
4       Administration Cabinet, the Attorney General or his or her designee shall prosecute  
5       all violations of the criminal and penal laws relating to revenue and taxation. If the  
6       Attorney General undertakes any of the actions prescribed in this subsection, he or  
7       she shall be authorized to exercise all powers and perform all duties in respect to the  
8       criminal actions or proceedings which the prosecuting attorney would otherwise  
9       perform or exercise, including but not limited to the authority to sign, file, and  
10      present any and all complaints, affidavits, information, presentments, accusations,  
11      indictments, subpoenas, and processes of any kind, and to appear before all grand  
12      juries, courts, or tribunals.
- 13      (7) The department may require the Commonwealth's attorneys and county attorneys to  
14      prosecute actions and proceedings and perform other services incident to the  
15      enforcement of laws assigned to the department for administration.
- 16      (8) Notwithstanding KRS Chapter 13A, the department may research the fields of  
17      taxation, finance, and local government administration, publish its findings, respond  
18      to the public's and taxpayers' questions, and publish its responses, as the  
19      commissioner may deem wise. To assist taxpayers and the public in understanding  
20      and interpreting the tax laws, the department may include examples as part of any  
21      response or publication. The examples may include demonstrative, nonexclusive  
22      lists of items, if the department determines that the list would be helpful to  
23      taxpayers in understanding the application of the tax laws.
- 24      (9) The department may promulgate administrative regulations necessary to establish a  
25      system of taxpayer identifying numbers for the purpose of securing proper  
26      identification of taxpayers subject to any tax laws or other revenue measure of this  
27      state, and may require the taxpayer to place on any return, report, statement, or other

1 document required to be filed, any number assigned pursuant to the administrative  
2 regulations.

3 (10) The department may, when it is in the best interest of the Commonwealth and  
4 helpful to the efficient and effective enforcement, administration, or collection of  
5 sales and use tax, motor fuels tax, or the petroleum environmental assurance fee,  
6 enter into agreements with out-of-state retailers or other persons for the collection  
7 and remittance of sales and use tax, the motor fuels tax, or the petroleum  
8 environmental assurance fee.

9 (11) The department may enter into annual memoranda of agreement with any state  
10 agency, officer, board, commission, corporation, institution, cabinet, department, or  
11 other state organization to assume the collection duties for any debts due the state  
12 entity and may renew that agreement for up to five (5) years. Under such an  
13 agreement, the department shall have all the powers, rights, duties, and authority  
14 with respect to the collection, refund, and administration of those liquidated debts  
15 as provided under:

16 (a) KRS Chapters 131, 134, and 135 for the collection, refund, and administration  
17 of delinquent taxes; and

18 (b) Any applicable statutory provisions governing the state agency, officer, board,  
19 commission, corporation, institution, cabinet, department, or other state  
20 organization for the collection, refund, and administration of any liquidated  
21 debts due the state entity.

22 (12) The department may refuse to accept a personal check in payment of taxes due or  
23 collected from any person who has ever tendered a check to the state which, when  
24 presented for payment, was not honored. Any check so refused shall be considered  
25 as never having been tendered.

26 ➔Section 63. KRS 131.500 is amended to read as follows:

27 (1) (a) In addition to any other remedy provided by the laws of the Commonwealth, if

1           any person has been assessed for a tax the collection of which is administered  
2           by the Department of Revenue as provided by the laws of the Commonwealth  
3           and if the person has not sought administrative or judicial review of the  
4           assessment as provided for in KRS 131.110, or if the person has sought but  
5           exhausted all administrative and judicial review so that the assessment is final,  
6           due, and owing, the commissioner of revenue or his delegate may cause a  
7           demand to be made on the person for the payment thereof.

8           (b) If the tax remains unpaid for thirty (30) days after the demand, the  
9           commissioner or his delegate may levy upon and sell all property and rights to  
10          property found within the Commonwealth belonging to the person or on  
11          which there is a lien provided by KRS 131.515 or 134.420, except the  
12          property that is exempt from an execution on a judgment in favor of the  
13          Commonwealth as provided in KRS Chapter 427, for the payment of the  
14          amount of the tax, penalty, interest, fees, and cost of the levy.

15       (2) As soon as practicable after seizure of property, notice in writing shall be given by  
16       the commissioner or his delegate to the owner of the property. The notice shall be  
17       given to the owner either in person or by certified mail to his or her last known  
18       address. The notice shall specify the sum demanded and shall contain, in the case of  
19       personal property, an account of the property seized and, in the case of real  
20       property, a description with reasonable certainty of the property seized.

21       (3) The commissioner or his or her designee shall as soon as practicable after the  
22       seizure of the property cause a notification of the sale of the seized property to be  
23       published in the newspaper with the largest circulation within the county where the  
24       seizure is made. The notice shall be published once each week for three (3)  
25       successive weeks. In addition, the notice shall be posted at the courthouse in the  
26       county where the seizure is made for fifteen (15) days next preceding sale. The  
27       notice shall specify the property to be sold, and the time, place, manner, and

1 condition of the sale thereof.

2 (4) If any property liable to levy is not divisible, so as to enable the commissioner or the  
3 commissioner's designee by sale of a part thereof to raise the whole amount of the  
4 tax, penalty, fees, interest, and cost of the levy, the whole of the property shall be  
5 sold.

6 (5) The time of sale shall not be less than thirty (30) nor more than ninety (90) days  
7 from the time the seizure is made. The place of sale shall be within the county in  
8 which the property is seized, except by special order of the commissioner.

9 (6) The sale shall be conducted by public auction, or by public sale under sealed bids.  
10 In the case of the seizure of several items of property, the commissioner or his or  
11 her delegate may offer the items for sale separately, in groups, or in the aggregate  
12 and accept whichever method produces the highest aggregate amount.

13 (7) (a) The commissioner or his or her delegate shall determine whether payment in  
14 full shall be required at the time of acceptance of a bid, or whether a part of  
15 the payment may be deferred for such period, not to exceed one (1) month, as  
16 he or she may determine to be appropriate.

17 (b) If payment in full is required at the time of acceptance of a bid and is not then  
18 and there paid, the commissioner or his or her delegate shall forthwith proceed  
19 to again sell the property as provided in subsection (6) of this section.

20 (c) If the conditions of the sale permit part of the payment to be deferred, and if  
21 such part is not paid, within the prescribed period, suit may be instituted in  
22 the ~~Franklin Circuit Court or the~~ Circuit Court of the county where the sale  
23 was conducted against the purchaser for the purchase price or such part  
24 thereof as has not been paid, together with interest at the rate of twelve percent  
25 (12%) per annum from the date of the sale; or, in the discretion of the  
26 commissioner, the sale may be declared to be null and void for failure to make  
27 full payment of the purchase price and the property may again be advertised

1           and sold as provided in this section.

2           (d) If readvertisement and sale occur, any new purchaser shall receive the  
3           property or rights to property, free and clear of any claim or right of the former  
4           defaulting purchaser, of any nature whatsoever, and the amount paid upon the  
5           bid price by the defaulting purchaser shall be forfeited.

6 (8) If the commissioner or his or her delegate determines that any property seized is  
7           liable to perish or become greatly reduced in price or value by keeping, or that the  
8           property cannot be kept without great expense, he or she shall appraise the value of  
9           the property and, if the owner of the property can be readily found, the  
10          commissioner or his or her delegate shall give him or her notice of the  
11          determination of the appraised value of the property. The property shall be returned  
12          to the owner if, within the time specified in the notice, the owner pays to the  
13          commissioner or his or her delegate an amount equal to the appraised value, or  
14          gives bond in the form, with the sureties, and in the amount as the commissioner or  
15          his or her delegate determines to be appropriate in the circumstances. If the owner  
16          does not pay the amount or furnish the bond in accordance with this subsection, the  
17          commissioner or his or her delegate shall as soon as practicable make public sale of  
18          the property without regard to the advertisement requirements or the time  
19          limitations contained in subsections (3) and (5) of this section.

20 (9) No proceedings under this section shall be commenced more than ten (10) years  
21          after the assessment becomes final.

22 (10) The term "levy" as used in this section shall include the power of distraint and  
23          seizure by any means. Except as otherwise provided in KRS 131.510(2)(a), a levy  
24          shall extend only to property possessed and obligations existing at the time thereof.  
25          In any case in which the commissioner or his or her delegate may levy upon  
26          property or rights to property, he or she may seize and sell the property or rights  
27          whether real, personal, tangible or intangible.

1 (11) Notwithstanding the provisions of KRS Chapters 45, 45A, and 56, the department  
2 may take all necessary steps to provide for the protection, maintenance, or  
3 transportation of all property seized by the department pursuant to the provisions of  
4 this section, including but not limited to negotiating directly for the procurement of  
5 contractual services, including professionals, supplies, materials, equipment, or the  
6 leasing of real and personal property. Every effort shall be made to effect a  
7 competitively established price for purchases made pursuant to this section. The  
8 department shall report any procurements of contractual services, supplies,  
9 materials, equipment, or the leasing of real and personal property, to the secretary of  
10 the Finance and Administration Cabinet within sixty (60) days of the transaction.  
11 Nothing in this section shall preclude the department from complying with the  
12 provisions of KRS Chapters 45 and 56 relating to the requirements to report the  
13 purchase or lease of real property or equipment to the Capital Projects and Bond  
14 Oversight Committee.

15 ➔Section 64. KRS 132.570 is amended to read as follows:

16 No person shall willfully make a false statement or resort to any device to evade taxation.  
17 Any person doing so shall be subject to three (3) times the amount of tax upon his  
18 property, to be recovered by the sheriff by action in the name of the Commonwealth in  
19 the county in which the property is liable for taxation, or by the Department of Revenue,  
20 when the taxes are payable to it, in the ~~Franklin~~ Circuit Court **of any county where the**  
21 **person resides or conducts business.**

22 ➔Section 65. KRS 135.040 is amended to read as follows:

23 (1) On the return of "no property found" on an execution issued upon a judgment in  
24 favor of the state, the Department of Revenue may institute equitable proceedings in  
25 the ~~Franklin~~ Circuit Court **of the county where the person owing the taxes**  
26 **resides or the Circuit Court of the county where the cause of action arose** or any  
27 other court of competent jurisdiction, in the name of the state and on the relation of

1 the commissioner of revenue. The choses in action or other equitable estate of the  
2 delinquent shall be subjected to the payment of the amount due on any such  
3 execution.

4 (2) On the return to the fiscal court or the county clerk of any tax bill as uncollectible, a  
5 like suit may be instituted in the name of the state on the relation of the  
6 commissioner of revenue in any court of competent jurisdiction, and the choses in  
7 action or other equitable estate of the delinquent may be subjected to the amount  
8 due on any such tax bill. In such proceedings attachment may issue and other  
9 proceedings may be taken as are authorized on the return of "no property found" on  
10 an execution in favor of individuals.

11 (3) The county attorneys of the respective counties shall assist the Department of  
12 Revenue in prosecuting the actions mentioned in this section.

13 (4) No action shall be maintained under the provisions of subsection (1) of this section  
14 when the last execution issued has been returned "no property found" more than ten  
15 (10) years before the institution of the action, nor shall an action be maintained on  
16 the uncollectible tax bill under the provisions of subsection (2) of this section more  
17 than five (5) years after the date of the return by the sheriff or collector.

18 (5) Every person against whom an execution has been returned "no property found" and  
19 upon which an equitable action is instituted, as provided in subsection (1) of this  
20 section, shall be liable for a penalty of twenty percent (20%) of the amount due on  
21 the execution. The penalty may be recovered in the action, with the amount due on  
22 the execution. The penalty shall go to the delinquent tax fund provided for under  
23 KRS 134.552, unless the county attorney assists in the prosecution, in which case  
24 one-half (1/2) shall go to the county attorney.

25 ➔Section 66. KRS 135.080 is amended to read as follows:

26 (1) When an action is brought in the ~~Franklin~~ Circuit Court against a sheriff or clerk,  
27 or against the sureties on his official bond, or against his heirs, devisees or

1 representatives, or against any other person required to pay money into the State  
2 Treasury or to do any other act required by law to be done in connection with the  
3 payment of money into the State Treasury after it has been collected, the  
4 Department of Revenue shall, twenty (20) days before the trial, mail to the  
5 defendant in the action, directed to him at the courthouse of his county, a notice in  
6 writing stating the amount judgment will be asked for and the time the court will be  
7 held. The department shall file a copy of this notice, with the name of the person to  
8 whom sent and the time when and the place where sent, with the clerk of the court,  
9 to be filed by him and kept with the papers in the action.

10 (2) The court, without further notice to the parties, shall proceed with the action. The  
11 department shall file with the clerk of the court a memorandum of the names of the  
12 parties, the amount due from each defaulter against whom judgment is demanded,  
13 and a copy of the bond if any. The clerk shall docket the action in the order in which  
14 the names stand on the memorandum.

15 (3) Judgments, when given against the defendants in the cases referred to in this  
16 section, shall be for the principal due with interest at the rate of ten percent (10%)  
17 per annum from the time the amount was due until paid.

18 ➔Section 67. KRS 136.990 is amended to read as follows:

19 (1) Any corporation that fails to pay its taxes, penalty, and interest as provided in  
20 subsection (2) of KRS 136.050, after becoming delinquent, shall be fined fifty  
21 dollars (\$50) for each day the same remains unpaid, to be recovered by indictment  
22 or civil action in the Circuit Court of the county where the corporation has its  
23 principal place of business~~[, of which the Franklin Circuit Court shall have~~  
24 ~~jurisdiction].~~

25 (2) Any public service corporation, or officer thereof, that willfully fails or refuses to  
26 make reports as required by KRS 136.130 and 136.140 shall be fined one thousand  
27 dollars (\$1,000), and fifty dollars (\$50) for each day the reports are not made after

- 1 April 30 of each year.
- 2 (3) Any superintendent of schools or county clerk who fails to report as required by  
3 KRS 136.190, or who makes a false report, shall be fined not less than fifty dollars  
4 (\$50) nor more than one hundred dollars (\$100) for each offense.
- 5 (4) Any company or association that fails or refuses to return the statement or pay the  
6 taxes required by KRS 136.330 or 136.340 shall be fined one thousand dollars  
7 (\$1,000) for each offense.
- 8 (5) Any insurance company that fails or refuses for thirty (30) days to return the  
9 statement required by KRS 136.330 or 136.340 and to pay the tax required by KRS  
10 136.330 or 136.340, shall forfeit one hundred dollars (\$100) for each offense. The  
11 commissioner of insurance shall revoke the authority of the company or its agents to  
12 do business in this state, and shall publish the revocation pursuant to KRS Chapter  
13 424.
- 14 (6) Any person who violates subsection (3) of KRS 136.390 shall be fined not less than  
15 one hundred dollars (\$100) nor more than five hundred dollars (\$500) for each  
16 offense.
- 17 (7) Where no other penalty is mentioned for failing to do an act required, or for doing  
18 an act forbidden by this chapter, the penalty shall be not less than ten dollars (\$10)  
19 nor more than five hundred dollars (\$500).
- 20 (8) ~~Any~~~~The Franklin~~ Circuit Court in the Commonwealth shall have jurisdiction of  
21 all prosecutions under subsections (4) to (6) of this section.
- 22 (9) Any person who violates any of the provisions of KRS 136.073 or KRS 136.090  
23 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180.
- 24 (10) If the tax imposed by KRS 136.070 or KRS 136.073, whether assessed by the  
25 department or the taxpayer, or any installment or portion of the tax, is not paid on or  
26 before the date prescribed for its payment, interest shall be collected upon the  
27 nonpaid amount at the tax interest rate as defined in KRS 131.010(6) from the date

1 prescribed for its payment until payment is actually made to the department.

2 (11) Any provider who violates the provisions of KRS 136.616(3) shall be subject to a  
3 penalty of twenty-five dollars (\$25) per purchaser offense, not to exceed ten  
4 thousand dollars (\$10,000) per month.

5 ➔Section 68. KRS 138.205 is amended to read as follows:

6 (1) Any licensee under KRS 138.195 who violates any provision of KRS 138.130 to  
7 138.205, or any administrative regulation promulgated under them, shall become  
8 indebted to the Commonwealth in the sum of five hundred dollars (\$500) for each  
9 violation. The civil penalty may be collected by action in any~~[the Franklin]~~ Circuit  
10 Court ***of competent jurisdiction.***

11 (2) Any manufacturer who fails to keep written records, and submit reports to the  
12 department, as required by the provisions of subsection (10) of KRS 138.195, shall  
13 become indebted to the Commonwealth in the sum of one thousand dollars (\$1,000)  
14 for each violation. The penalty may be enforced by action of any~~[the Franklin]~~  
15 Circuit Court ***of competent jurisdiction.***

16 (3) Any manufacturer doing business within this state without having complied with  
17 the provisions of KRS Chapter 271B as to designation of process agent shall, by so  
18 doing of business, be deemed to have made the Secretary of State its agent for the  
19 service of process in any civil action instituted in any~~[the Franklin]~~ Circuit Court ***of***  
20 ***competent jurisdiction*** for the recovery of the penalty. In any action, the complaint  
21 shall set forth the post office address of the home office of the manufacturer.

22 (4) Any nonresident person licensed under the provisions of KRS 138.195 shall, at the  
23 time of application for license, designate some resident of this state as a process  
24 agent for the purpose of service of civil process in any civil action originating in any  
25 court of this Commonwealth, and service upon the person so designated shall be  
26 sufficient to bring the nonresident person before any court of this Commonwealth  
27 for all purposes.

1 (5) Any person acting in the capacity of a licensee under the provisions of KRS  
2 138.130 to 138.205 without having secured a license as provided in KRS 138.195  
3 shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180 and  
4 interest at the tax interest rate as defined in KRS 131.010(6) from the date due until  
5 the date of payment.

6 ➔Section 69. KRS 138.530 is amended to read as follows:

7 (1) The department shall enforce the provisions of and collect the tax and penalties  
8 imposed and other payments required by KRS 138.510 to 138.550, and in doing so  
9 it shall have the general powers and duties granted it in KRS Chapters 131 and 135,  
10 including the power to enforce, by an action in any~~the Franklin~~ Circuit Court of  
11 competent jurisdiction, the collection of the tax, penalties and other payments  
12 imposed or required by KRS 138.510 to 138.550.

13 (2) (a) The remittance of the taxes imposed by KRS 138.510 shall be made weekly to  
14 the department no later than the fifth business day, excluding Saturday and  
15 Sunday, following the close of each week of racing, during each race meeting,  
16 and following the close of each week when historical horse races are  
17 conducted, and shall be accompanied by reports as prescribed by the  
18 department.

19 (b) Except as otherwise provided in KRS 138.510 to 138.550, all funds received  
20 by the department from the taxes imposed by KRS 138.510 shall be paid into  
21 the State Treasury and shall be credited to the general fund.

22 (c) The supervisor of pari-mutuel betting appointed by the commission shall  
23 weekly, during each race meeting, and during each week when historical horse  
24 races are conducted, report to the department the total amount bet or handled  
25 the preceding week and the amount of tax due the state thereon, under the  
26 provisions of KRS 138.510 to 138.550.

27 (d) The supervisor of pari-mutuel betting appointed by the commission or his or

1 her duly authorized representatives shall, at all reasonable times, have access  
2 to all books, records, issuing or vending machines, adding machines, and all  
3 other pari-mutuel equipment for the purpose of examining and checking the  
4 same and ascertaining whether or not the proper amount or amounts due the  
5 state are being or have been paid.

6 (e) Every person, corporation, or association required to pay the tax imposed by  
7 KRS 138.510 shall keep its books and records so as to clearly show by a  
8 separate record the total amount of money contributed to every pari-mutuel  
9 pool.

10 (3) (a) The remittance of the tax imposed by KRS 138.513 shall be made weekly to  
11 the department no later than the first business day of the week next succeeding  
12 the week during which the wagers forming the base of the tax were received.

13 (b) Along with the remittance of the tax, each advance deposit account wagering  
14 licensee shall file a return that includes the information required by the  
15 department.

16 (c) Every advance deposit account wagering licensee shall keep its books and  
17 records in such a manner that:

18 1. Kentucky residents having accounts with the advance deposit account  
19 wagering licensee can be individually identified and their identity and  
20 residence verified; and

21 2. The amount wagered through each account held by a Kentucky resident  
22 and the date of each wager can be determined and verified.

23 (d) All books and records of the advance deposit account wagering licensee  
24 required by paragraph (c) of this subsection and any books and records that the  
25 department requires a licensee to maintain through promulgation of an  
26 administrative regulation shall be open to inspection by the department and  
27 the commission.

1 (e) All revenue received by the department from the tax imposed by KRS 138.513  
2 shall be distributed as follows:

3 1. Fifteen percent (15%) shall be distributed to the Commonwealth and  
4 credited to the general fund; and

5 2. a. Eighty-five percent (85%) of revenue received from a wager  
6 placed on a race conducted at a track in Kentucky shall be  
7 distributed to the association that conducted the race;

8 b. Eighty-five percent (85%) of revenue received from a wager  
9 placed on a race conducted at a track outside Kentucky shall be  
10 distributed to the Kentucky track that is recognized as the host  
11 track by the commission at the time the wager is placed. However,  
12 if a wager subject to the tax imposed by KRS 138.513 is placed on  
13 a race conducted at a track outside Kentucky, and the individual  
14 placing the wager has registered an address with the advance  
15 deposit account wagering licensee that is within twenty-five (25)  
16 miles of a Kentucky track, the association licensed by the  
17 commission to operate that track shall receive the tax revenue  
18 derived from that wager; and

19 c. An association receiving distributions under subdivisions a. and b.  
20 of this subparagraph shall allocate one-half (1/2) of the amount  
21 distributed to its purse account.

22 ➔Section 70. KRS 138.705 is amended to read as follows:

23 (1) The cabinet may audit the books and records of each licensee who has at any time  
24 since the last audit was made applied for a credit or refund thereunder and make  
25 such other investigations as it deems necessary to determine whether the credits or  
26 refunds applied for constitute proper claims.

27 (2) If gasoline or special fuels taxes are erroneously credited or refunded, the cabinet

1 shall advise the licensee of the erroneous credit or refund. If the licensee fails to  
2 reimburse the Commonwealth within fifteen (15) days after the receipt of notice, an  
3 action may be instituted by the cabinet in the Circuit Court of the county where the  
4 licensee is located~~[Franklin Circuit Court]~~ and the cabinet shall recover from the  
5 licensee the amount of the erroneous credit or refund plus a penalty of twenty  
6 percent (20%).

7 ➔Section 71. KRS 138.889 is amended to read as follows:

8 (1) Any offender violating KRS 138.870 to 138.889 shall, in addition to paying the tax  
9 imposed pursuant to KRS 138.872, pay a penalty equal to one hundred percent  
10 (100%) of the tax due and interest at the tax interest rate as defined in KRS  
11 131.010(6) on the principal amount of the tax during the period in which the tax is  
12 due and unpaid.

13 (2) (a) Any offender failing to affix the appropriate tax stamps, labels, or other tax  
14 indicia to any marijuana or controlled substance as required by KRS 138.874  
15 is guilty of a Class C felony and, upon conviction, may be punished as  
16 provided in the Kentucky Penal Code. The penalty shall be cumulative to any  
17 other penalty or crime. Jurisdiction and venue for prosecution of this crime  
18 shall be in the~~[Franklin]~~ Circuit Court of the county where the violation  
19 occurred.

20 (b) Notwithstanding any other provision of the criminal laws of this state, an  
21 indictment may be found and filed upon any criminal offense specified in this  
22 section within six (6) years after the commission of the offense.

23 ➔Section 72. KRS 141.310 is amended to read as follows:

24 (1) Every employer making payment of wages on or after January 1, 1971, shall deduct  
25 and withhold upon the wages a tax determined under KRS 141.315 or by the tables  
26 authorized by KRS 141.370.

27 (2) If wages are paid with respect to a period which is not a payroll period, the amount

- 1 to be deducted and withheld shall be that applicable in the case of a miscellaneous  
2 payroll period containing a number of days, including Sundays and holidays, equal  
3 to the number of days in the period with respect to which the wages are paid.
- 4 (3) If wages are paid by an employer without regard to any payroll period or other  
5 period, the amount to be deducted and withheld shall be that applicable in the case  
6 of a miscellaneous payroll period containing a number of days equal to the number  
7 of days, including Sundays and holidays, which have elapsed since the date of the  
8 last payment of wages by the employer during the calendar year, or the date of  
9 commencement of employment with the employer during the year, or January 1 of  
10 the year, whichever is the later.
- 11 (4) In determining the amount to be deducted and withheld under this section, the  
12 wages may, at the election of the employer, be computed to the nearest dollar.
- 13 (5) The tables mentioned in subsection (1) of this section shall consider the standard  
14 deduction.
- 15 (6) The department may permit the use of accounting machines to calculate the proper  
16 amount to be deducted from wages when the calculation produces substantially the  
17 same result as set forth in the tables authorized by KRS 141.370. Prior approval of  
18 the calculation shall be secured from the department at least thirty (30) days before  
19 the first payroll period for which it is to be used.
- 20 (7) The department may, by administrative regulations, authorize employers:
- 21 (a) To estimate the wages which will be paid to any employee in any quarter of  
22 the calendar year;
- 23 (b) To determine the amount to be deducted and withheld upon each payment of  
24 wages to the employee during the quarter as if the appropriate average of the  
25 wages estimated constituted the actual wages paid; and
- 26 (c) To deduct and withhold upon any payment of wages to the employee during  
27 the quarter the amount necessary to adjust the amount actually deducted and

1 withheld upon the wages of the employee during the quarter to the amount  
2 that would be required to be deducted and withheld during the quarter if the  
3 payroll period of the employee was quarterly.

4 (8) The department may provide by regulation, under the conditions and to the extent it  
5 deems proper, for withholding in addition to that otherwise required under this  
6 section and KRS 141.315 in cases in which the employer and the employee agree to  
7 the additional withholding. The additional withholding shall for all purposes be  
8 considered tax required to be deducted and withheld under this chapter.

9 (9) Effective January 1, 1992, any employer required by this section to withhold  
10 Kentucky income tax who assesses and withholds from employees the job  
11 assessment fee provided in KRS 154.24-110 may offset a portion of the fee against  
12 the Kentucky income tax required to be withheld from the employee under this  
13 section. The amount of the offset shall be four-fifths (4/5) of the amount of the  
14 assessment fee withheld from the employee or the Commonwealth's contribution of  
15 KRS 154.24-110(3) applies. If the provisions in KRS 154.24-150(3) or (4) apply,  
16 the offset, the offset shall be one hundred percent (100%) of the assessment.

17 (10) Any employer required by this section to withhold Kentucky income tax who  
18 assesses and withholds from employees an assessment provided in KRS 154.22-070  
19 or KRS 154.28-110 may offset the fee against the Kentucky income tax required to  
20 be withheld from the employee under this section.

21 (11) Any employer required by this section to withhold Kentucky income tax who  
22 assesses and withholds from employees the job assessment fee provided in KRS  
23 154.26-100 may offset a portion of the fee against the Kentucky income tax  
24 required to be withheld from the employee under this section. The amount of the  
25 offset shall be four-fifths (4/5) of the amount of the assessment fee withheld from  
26 the employee, or if the agreement under KRS 154.26-090(1)(f)2. is consummated,  
27 the offset shall be one hundred percent (100%) of the assessment fee.

- 1 (12) Any employer required by this section to withhold Kentucky income tax who  
2 assesses and withholds from employees the job development assessment fee  
3 provided in KRS 154.23-055 may offset a portion of the fee against the Kentucky  
4 income tax required to be withheld from the employee under this section. The  
5 amount of the offset shall be equal to the Commonwealth's contribution as  
6 determined by KRS 154.23-055(1) to (3).
- 7 (13) Any employer required by this section to withhold Kentucky income tax who  
8 assesses and withholds from employees the job development assessment fee  
9 provided in KRS 154.32-090 may offset the state portion of the assessment against  
10 the Kentucky income tax required to be withheld from the employee under this  
11 section.
- 12 (14) Any employer required by this section to withhold Kentucky income tax may be  
13 required to post a bond with the department. The bond shall be a corporate surety  
14 bond or cash. The amount of the bond shall be determined by the department, but  
15 shall not exceed fifty thousand dollars (\$50,000).
- 16 (15) Any employer required by this section to withhold Kentucky income tax who  
17 assesses and withholds from employees an assessment provided in KRS 154.27-080  
18 may offset the assessment against the Kentucky income tax required to be withheld  
19 from the employee under this section.
- 20 (16) The Commonwealth may bring an action for a restraining order or a temporary or  
21 permanent injunction to restrain or enjoin the operation of an employer's business  
22 until the bond is posted or the tax required to be withheld is paid or both. The action  
23 may be brought in ~~the Franklin Circuit Court or in~~ the Circuit Court having  
24 jurisdiction of the defendant.
- 25 ➔Section 73. KRS 142.353 is amended to read as follows:
- 26 (1) Whenever it is deemed necessary to insure compliance with the provisions of KRS  
27 142.301 to 142.363, the department may require any person subject to the taxes

1 imposed by KRS 142.303, 142.307, 142.309, 142.311, 142.314, 142.315, 142.316,  
2 142.361, and 142.363 to place security with it. The amount of the security shall be  
3 fixed by the department but shall not be greater than three (3) times the estimated  
4 average liability of the provider or all providers in the same class as the provider,  
5 whichever is greater. This limitation shall apply regardless of the type of security  
6 placed with the department.

7 (2) The amount of the security may be increased or decreased by the department,  
8 subject to the limitations provided in subsection (1) of this section.

9 (3) (a) If necessary, the department may sell the security at public auction in order to  
10 recover any tax, penalty, or interest due. However, security in the form of a  
11 bearer bond issued by the United States or any state or local governmental unit  
12 which has a prevailing market price may be sold by the department at a private  
13 sale at a price not lower than the prevailing market price.

14 (b) 1. The department shall provide notice by certified mail, sent to the last  
15 known address as reflected in the records of the department, or by  
16 delivery, to the person who placed the security with the department of  
17 the date, time, and place of the sale.

18 2. Delivery means mailing the notice to the person it is addressed to,  
19 leaving the notice at his place of business with the person in charge of  
20 the place of business, or, if there is no one in charge, leaving the notice  
21 at a conspicuous place at the place of business. If the place of business is  
22 closed, or the person to be served has no place of business, leaving it at  
23 his home, with a person of suitable age and discretion residing in the  
24 home. Notice by certified mail must be postmarked no later than ten (10)  
25 days prior to the sale. Notice by delivery must be given no later than ten  
26 (10) days prior to the sale.

27 (c) Any amount in excess of the amount due the department after the sale shall be

1 returned to the person placing the security.

2 (4) The Commonwealth may bring an action for a restraining order or a temporary or  
3 permanent injunction to restrain or enjoin the operation of a provider's business  
4 until the security is obtained. The action may be brought in the ~~Franklin Circuit~~  
5 ~~Court or in the~~ Circuit Court having jurisdiction over the provider.

6 ➔Section 74. KRS 143.050 is amended to read as follows:

7 (1) Any taxpayer charged with the filing of reports and payment of the tax imposed by  
8 this chapter may be required to post a cash or corporate surety bond in an amount to  
9 be determined by the department.

10 (2) The Commonwealth may bring an action for a restraining order, temporary or  
11 permanent injunction to restrain or enjoin the operation of a taxpayer's business  
12 until the bond is posted. Such action may be brought in ~~the Franklin Circuit Court~~  
13 ~~or in~~ the Circuit Court having jurisdiction of the taxpayer.

14 ➔Section 75. KRS 143A.050 is amended to read as follows:

15 (1) Every taxpayer shall, before engaging in the severing or processing of a natural  
16 resource subjected to tax under KRS 143A.020, obtain a certificate of registration  
17 by filing with the department an application in such form and containing such  
18 information as the department may prescribe. Every application shall be signed by  
19 the owner if a natural person; in the case of an association or partnership, by a  
20 member or partner; in the case of a corporation, by an executive officer or some  
21 person specifically authorized by the corporation to sign the application.

22 (2) Whenever any taxpayer fails to comply with any provisions of this section through  
23 KRS 143A.130 or any rule or regulation of the department relating thereto, the  
24 department may suspend or revoke the certificate of registration held by such  
25 taxpayer.

26 (3) The Commonwealth may bring an action for a restraining order or a temporary or  
27 permanent injunction to restrain or enjoin operation of a taxpayer's business being

1           operated without a certificate of registration. Such action may be brought in ~~the~~  
2           ~~Franklin Circuit Court or in~~ the Circuit Court having jurisdiction of the taxpayer.

3           ➔Section 76. KRS 143A.070 is amended to read as follows:

- 4           (1) Whenever it is deemed necessary to insure compliance with KRS 143A.050 to  
5           143A.130, the department may require any taxpayer to post a cash or corporate  
6           surety bond.
- 7           (2) The amount of the bond shall be fixed by the department but, except as provided in  
8           subsection (3) of this section, shall not be greater than three (3) times the average  
9           quarterly liability of taxpayers filing returns for quarterly periods, five (5) times the  
10          average monthly liability of taxpayers required to file returns for monthly periods,  
11          or two (2) times the average periodic liability of taxpayers permitted or required to  
12          file returns for other than monthly or quarterly periods.
- 13          (3) Notwithstanding the provisions of subsection (2) of this section, no bond required  
14          under this section shall be less than five hundred dollars (\$500).
- 15          (4) The amount of the bond provided herein may be increased or decreased by the  
16          department at any time subject to the limitations herein provided.
- 17          (5) The Commonwealth may bring an action for a restraining order or a temporary or  
18          permanent injunction to restrain or enjoin the operation of a taxpayer's business  
19          until the bond is posted and any delinquent tax, including applicable interest and  
20          penalties, has been paid. Such action may be brought in ~~the Franklin Circuit Court~~  
21          ~~or in~~ the Circuit Court having jurisdiction of the taxpayer.

22          ➔Section 77. KRS 146.290 is amended to read as follows:

- 23          (1) The provisions of this section shall not apply to those uses existing at such time as a  
24          stream is included in the system.
- 25          (2) Land uses to be allowed within the boundaries of a designated stream area shall be  
26          as follows:

27                 New roads, structures or buildings may be constructed only where necessary

1 to effect a use permitted under the other provisions of KRS 146.200 to 146.360.  
2 Utility lines or pipelines may be constructed as approved by the secretary in writing  
3 and under provision that the affected land be restored as nearly as possible to its  
4 former state. This provision, however, shall in no way affect the rights between a  
5 landowner and a utility company or pipeline company. There shall be no strip  
6 mining as defined in KRS 350.010, and select cutting of timber or other resource  
7 removal and agricultural use, may be allowed pursuant to regulations promulgated  
8 by the secretary upon the granting of a permit under the other provisions of KRS  
9 146.200 to 146.360. All instream disturbances such as dredging, shall be prohibited.  
10 Except for the management agency and any existing uses which do not conform to  
11 the purposes and intent of KRS 146.200 to 146.360, travel upon a wild river or any  
12 public lands within the designated boundaries thereof, shall be by foot, horseback,  
13 canoe, boat or other nonmechanical modes of transportation. If there are existing  
14 agricultural areas within the boundaries of the area, such areas may continue to be  
15 used for agricultural purposes.

16 (3) Any landowner within the boundaries of the area may apply to the secretary for a  
17 change of use to permit the select cutting of timber, a resource removal or an  
18 agricultural use upon his property located within the area and the secretary shall  
19 hold a public hearing after public notice on the application within sixty (60) days.  
20 The landowner or any interested person shall be allowed to present evidence as to  
21 whether the proposed use by the applying landowner is in accordance with the  
22 management plan developed pursuant to KRS 146.270, the purpose and intent of  
23 the Wild Rivers Act as expressed in KRS 146.220, and other applicable law.

24 (4) The secretary shall, within sixty (60) days after said hearing, either:  
25 (a) Issue an order, with accompanying opinion, denying the permit; or  
26 (b) Issue an order, with accompanying opinion, granting the permit with such  
27 restrictions, terms and conditions as are appropriate to protect to the fullest

1 extent possible the wild rivers area and the public trust therein within the  
2 intent of KRS 146.220; or

3 (c) Recommend an alternate use to which the land may be put under KRS  
4 146.200 to 146.360 which is more consistent with the purposes and intent of  
5 KRS 146.200 to 146.360 than the use for which application was made; or

6 (d) Institute condemnation proceedings in the circuit court of the county in which  
7 the land is located or else negotiate a purchase of the land affected, or any  
8 interest therein.

9 (5) On or before thirty (30) days from the date of the secretary's ruling, the landowner  
10 may file with the department a written objection to the ruling. If, within the next  
11 sixty (60) days the landowner and the secretary are unable to reach an agreement  
12 with respect to a modification of his ruling, the secretary must either permit the use  
13 applied for, condemn the property, or petition the ~~Franklin~~ Circuit Court ***of the***  
14 ***county where any portion of the land is located*** for an order restraining the  
15 proposed use. The order shall be entered immediately upon the filing of the petition  
16 and the execution of a bond without surety by the Commonwealth in an amount  
17 satisfactory to the court to indemnify the landowner against loss of profits from any  
18 wrongful restraint of the use of his property during the period from the filing of the  
19 petition until such time as the matter is concluded by the courts. The court shall  
20 review the decision as to both law and fact; but no factual finding shall be reversed  
21 unless clearly erroneous or else arbitrary, capricious, or an abuse of discretion.

22 ➔Section 78. KRS 146.350 is amended to read as follows:

23 It shall be the duty of the cabinet's Office of Legal Services, or upon the secretary's  
24 request, of the Attorney General, to bring an action for the recovery of the penalties  
25 provided for in KRS 146.990 and to bring an action for a restraining order, temporary or  
26 permanent injunction, for the prevention or correction of a condition constituting or  
27 threatening to constitute a violation of KRS 146.200 to 146.360. All actions for injunctive

1 relief for violation of KRS 146.200 to 146.360 shall be brought in the name of the  
2 Commonwealth of Kentucky by the cabinet's Office of Legal Services, or upon the  
3 secretary's request, by the Attorney General in the ~~Franklin~~ Circuit Court **where the**  
4 **land lies**. If the action seeks recovery of penalties in addition to injunctive relief, it shall  
5 be brought to one (1) of the counties through which the designated portion of the river  
6 runs.

7       ➔Section 79. KRS 150.195 is amended to read as follows:

- 8 (1) The department shall by administrative regulation provide for the control of the  
9 design, issuance, distribution, and other matters relating to all licenses and permits  
10 issued by the department.
- 11 (2) The department shall name each county clerk not granted an exemption from selling  
12 licenses or permits by the commissioner as an agent for the sale of licenses and  
13 permits or other items. The county clerk shall not appoint any other person or  
14 organization, other than a paid deputy clerk, to sell licenses and permits. A county  
15 clerk may, at any time during his term of office, apply in writing to the  
16 commissioner for an exemption from the requirement that he sell licenses and  
17 permits or other items for the department. The commissioner shall then grant the  
18 exemption until the clerk requests otherwise in writing.
- 19 (3) The department shall sell its own licenses or permits and may name any other  
20 person or organization meeting the requirements specified by statute and by the  
21 department by administrative regulation as an agent for the sale of specified licenses  
22 and permits or other items for the department.
- 23 (4) The department shall, by administrative regulation, determine:
- 24 (a) The number and distribution of agents in a county;
- 25 (b) Which licenses and permits or other items shall be sold by the department and  
26 agents of the department;
- 27 (c) The requirements for persons or organizations, other than county clerks, to sell

- 1 licenses and permits or other items issued by the department;
- 2 (d) The fees allowed to be retained by agents of the department;
- 3 (e) Matters relating to the remittance of license and permit fees and proceeds of  
4 the sale of other items, procedures for accountability for licenses and permits,  
5 and accountability for license and permit fees and proceeds of the sales of  
6 other items;
- 7 (f) The license and permit term, and the date of expiration of licenses and  
8 permits; and
- 9 (g) The manner in which the licenses, permits, and other items issued by the  
10 department are designed, issued, and sold, and details relating to the  
11 application for and sale of licenses, permits, and other items, the reporting of  
12 license, permit, and other sales, and other matters deemed necessary by the  
13 department for the proper administration and operation of a program relating  
14 to the design, issuance, and sale of licenses, permits, and other items issued by  
15 the department.
- 16 (5) No person shall make a false statement or provide any false information when  
17 applying for a license or permit.
- 18 (6) Unless permitted to do so by administrative regulation, no person shall alter or  
19 modify a license or permit in any manner.
- 20 (7) No employee of the department, no agent designated by the department, or no  
21 employee of an agent designated by the commissioner shall knowingly make a false  
22 entry upon a license or permit, license or permit record, or an application or report  
23 required by this chapter or by an administrative regulation issued thereunder.
- 24 (8) The department and each agent designated by the commissioner shall keep a correct  
25 and complete record of all licenses and permits applied for or issued, and all other  
26 records required to be kept by statute or by the department by administrative  
27 regulation. License and permit records shall be public records and shall be open to

- 1 public inspection in the manner provided by KRS 61.870 to 61.884.
- 2 (9) No fee for the issuance of a license or permit issued by or on behalf of the  
3 department shall be charged or collected by the department or agent of the  
4 department other than the amount specified by administrative regulation. Tie-in  
5 sales required to obtain a license or permit are prohibited.
- 6 (10) The department shall by administrative regulation develop a procedure for  
7 suspending or revoking the agent status of a person or organization violating any  
8 provision of this chapter, or the administrative regulations promulgated thereunder,  
9 relating to the sale, reporting of, or financial accountability for the sale of licenses  
10 or permits which the agent is authorized to sell on behalf of the department.
- 11 (a) The initial determination to suspend or revoke an agent's status shall be made  
12 by the commissioner, or by his designee; and the agent shall be informed of  
13 the decision in writing.
- 14 (b) A decision of the commissioner or his designee may be appealed to the  
15 commission in writing and received by the department within ten (10) days of  
16 receipt of the commissioner's notice. Hearings of appeals shall be conducted  
17 in accordance with KRS Chapter 13B.
- 18 (c) Appeals from a final order of the commission shall be to the ~~Franklin~~ Circuit  
19 Court in ***any county where a violation occurred in*** accordance with KRS  
20 Chapter 13B.
- 21 (11) Penalties which the commissioner, his designee in writing, or the commission may  
22 assess are:
- 23 (a) A suspension of the agent's status for not less than one (1) nor more than five  
24 (5) years; or
- 25 (b) Revocation of the agent's status permanently, if a natural person, or for not  
26 less than ten (10) years to permanently, if an organization.
- 27 (12) Suspension periods shall not be waived, probated, or delayed by the commissioner,

1 his designee in writing, or the commission. The commission or the ~~Franklin~~  
2 ~~]~~Circuit Court to which the order was appealed, as appropriate, may reduce a  
3 suspension period ordered by the commissioner or his designee in writing, but to  
4 not less than one (1) year, and may reduce a revocation to a suspension.

5 (13) The department may experiment with computerized, electronic, or other improved  
6 forms of license and permit sales by the department and its agents. Experiments  
7 may be conducted on a regional or other basis. The commission shall implement  
8 any improved method of license and permit sales finally selected, on a statewide  
9 basis by administrative regulation.

10 ➔Section 80. KRS 150.735 is amended to read as follows:

11 (1) An applicant may place his or her primary containment fence on the property line.  
12 The department shall not require applicants to set primary containment fences any  
13 distance away from the property line.

14 (2) Any person who operates a captive cervid facility in accordance with this chapter  
15 may petition the department at any time to expand his or her captive cervid facility,  
16 provided the expansion is adjacent and connected to his or her existing facility and  
17 continues to comply with all applicable statutes and regulations.

18 (3) A lawful permit for an existing captive cervid facility may be transferred, along  
19 with any related benefits, rights, responsibilities, and liabilities, to any person who  
20 purchases or otherwise takes ownership of the land area on which the captive cervid  
21 facility exists. Within thirty (30) days of the date of any transfer of permits, the  
22 party transferring the permit shall notify the department of the following:

23 (a) Name and address of the party to which the permit is to be transferred;

24 (b) Permit number;

25 (c) Deed indicating change of land ownership; and

26 (d) Any additional information the department deems necessary.

27 (4) If any person holding captive cervids is determined in violation of Kentucky statute

1 or administrative regulation pertaining to the holding of those cervids, then that  
2 person shall have sixty (60) days from when the violation was identified to come  
3 into compliance. The permit holder has the following rights and potential penalties  
4 during the sixty (60) day period:

- 5 (a) During the sixty (60) day period, the permit holder may continue to harvest,  
6 sell, or slaughter cervids unless the permit has been suspended in accordance  
7 with administrative regulations promulgated by the department;
- 8 (b) Failure to come into compliance within sixty (60) days of the notice of  
9 violation may result in a citation and cause the captive cervids to be  
10 immediately seized by the department or the permit to be suspended; and
- 11 (c) The individual whose cervids were seized or whose permit was suspended  
12 under paragraph (a) or (b) of this subsection may request an administrative  
13 hearing pursuant to KRS Chapter 13B within thirty (30) days of the issuance  
14 of a citation or suspension of the permit and may appeal the final decision to  
15 the Franklin Circuit Court or the Circuit Court of the county in which the  
16 seizure occurred in accordance with KRS Chapter 13B. Pending the final  
17 outcome from all appeals, the seized cervids may be disposed of by the  
18 department without compensation to the owner.

19 ➔Section 81. KRS 150.740 is amended to read as follows:

- 20 (1) There shall be a ban on the importation of live members of the animal family  
21 Cervidae into the Commonwealth that have not been subject to a program of  
22 surveillance and identification for cervid chronic wasting disease (CWD) that meets  
23 or exceeds:
- 24 (a) The requirements of the Kentucky Cervid CWD Surveillance and  
25 Identification (CCWDSI) Program set forth in this section and in  
26 administrative regulations promulgated by the Kentucky Department of  
27 Agriculture; and

- 1 (b) Any other health requirements as regulated by the Kentucky Department of  
2 Agriculture or the United States Department of Agriculture for cervids.
- 3 (2) The Kentucky Department of Agriculture shall be responsible for authorizing  
4 importation of the members of the animal family Cervidae into the Commonwealth  
5 that have been subject to a program of surveillance and identification for cervid  
6 CWD that meets or exceeds:
- 7 (a) The requirements of the Kentucky CCWDSI Program set forth in this section  
8 and in administrative regulations promulgated by the Kentucky Department of  
9 Agriculture; and
- 10 (b) Any other health requirements as regulated by the Kentucky Department of  
11 Agriculture or the United States Department of Agriculture for cervids.
- 12 (3) Members of the animal family Cervidae shall not be eligible for importation into the  
13 Commonwealth unless the program of surveillance and identification for cervid  
14 CWD to which they have been subject:
- 15 (a) Has been certified by the exporting state's state veterinarian or agency having  
16 jurisdiction over that state's surveillance and identification program;
- 17 (b) Has been approved by the Kentucky state veterinarian as meeting or exceeding  
18 the standards imposed under the Kentucky CCWDSI Program; and
- 19 (c) Meets, at minimum, the following requirements:
- 20 1. The program shall require cervid owners to obtain identification and  
21 laboratory diagnosis from brain tissue as directed by the exporting state's  
22 state veterinarian or agency with jurisdiction for cervids twelve (12)  
23 months of age or greater that:
- 24 a. Display clinical signs of CWD;
- 25 b. Die, including deaths by slaughter or by hunting, including hunting  
26 on hunting preserves; or
- 27 c. Are ill or injured regardless of whether the illness or injury results

1 in death; and

2 2. The program shall require cervid owners to obtain cervids from herds  
3 that have been monitored for at least five (5) years and that have  
4 complied with the standards contained in the Kentucky CCWDSI  
5 Program.

6 (4) Cervids originating from a state that has reported a confirmed case of CWD in wild  
7 or captive cervids shall not be imported into Kentucky until The United States  
8 Department of Agriculture approves:

9 (a) Regulations that allow importation from those states; and

10 (b) A live test for CWD that is available for live testing of cervids.

11 (5) Importation of members of the animal family Cervidae into the Commonwealth  
12 shall be consistent with this section and with administrative regulations  
13 promulgated by the Kentucky Department of Agriculture in cooperation with the  
14 Kentucky Department of Fish and Wildlife Resources.

15 (6) A person shall be guilty of a Class D felony upon conviction for violating this  
16 section. Upon conviction of a second violation of this section and in addition to all  
17 other penalties, a person shall be permanently ineligible for renewal of a captive  
18 cervid permit. On or before November 1 of each year, the Department of Fish and  
19 Wildlife Resources and the Department of Agriculture, Office of the State  
20 Veterinarian, respectively shall issue reports to the Interim Joint Committee on  
21 Agriculture and the Interim Joint Committee on Natural Resources and  
22 Environment on the status of chronic wasting disease, and the reports may include  
23 the status of other animal or wildlife diseases in Kentucky and the United States.  
24 The reports shall be used for the purpose of determining the need for modifications  
25 to the statutory ban on the importation of cervids into the Commonwealth.

26 (7) The Department of Fish and Wildlife Resources shall have the authority to  
27 immediately, and without compensation to the owner, seize captive cervids that

1 have been imported into the Commonwealth contrary to this section. The individual  
2 whose cervids were seized may request an administrative hearing pursuant to KRS  
3 Chapter 13B within thirty (30) days of the department's seizure and may appeal the  
4 final decision to the Franklin Circuit Court or the Circuit Court of the county in  
5 which the seizure occurred in accordance with KRS Chapter 13B. Pending the final  
6 outcome of all appeals, the seized cervids may be disposed of by the department  
7 without compensation to the owner.

8 (8) The department shall have the authority to immediately, and without compensation  
9 to the owner, seize and destroy captive cervids that are in the process of being  
10 imported into the Commonwealth contrary to this section.

11 (9) A captive cervid originating from outside the Commonwealth of Kentucky which is  
12 in transit, as defined in KRS 150.725 and which is being transported through the  
13 Commonwealth to another state or nation of destination shall meet the entry  
14 requirements of the state or nation of destination.

15 (10) A person intending to transport a captive cervid through Kentucky shall, prior to the  
16 captive cervid entering Kentucky, obtain a transportation permit from the Office of  
17 the State Veterinarian. This permit shall specify that:

18 (a) A captive cervid being transported through Kentucky shall not remain in  
19 Kentucky for more than twenty-four (24) hours from the time of entry and, if  
20 this requirement cannot be met once the animal is in Kentucky, the Office of  
21 the State Veterinarian shall be contacted to secure a variance to the permit;

22 (b) A captive cervid being transported through Kentucky shall not leave the  
23 transport vehicle while in Kentucky; and

24 (c) The person transporting the captive cervid through Kentucky shall follow the  
25 routes specified in the transport permit, if this requirement cannot be met once  
26 the animal is in Kentucky, the Office of the State Veterinarian shall be  
27 contacted to secure a variance to the permit.

1       ➔Section 82. KRS 151.184 is amended to read as follows:

- 2       (1) All hearings under this chapter shall be held before a qualified hearing officer, who  
3       may be a full-time employee of the cabinet, serve by contract, or be paid on a per  
4       diem basis at the discretion of the cabinet. After the conclusion of the hearing, the  
5       hearing officer shall within thirty (30) days make a report to the secretary and a  
6       recommended order which shall contain a finding of fact and a conclusion of law.  
7       If the secretary finds upon written request of the hearing officer that additional time  
8       is needed, then the secretary may grant an extension. The hearing officer shall serve  
9       a copy of his report and recommended order upon all parties of record to the  
10      proceeding and they shall be granted the right to file within fourteen (14) days of  
11      receipt exceptions thereto. The secretary shall consider the report, exceptions, and  
12      recommended order and decide the case. The decision shall be served by mail upon  
13      all parties and shall be a final order of the cabinet.
- 14      (2) Any party to a hearing conducted pursuant to this chapter may be represented by  
15      counsel, make oral or written argument, offer testimony, cross-examine witnesses,  
16      or take any combination of such actions. The record of the hearing shall be open to  
17      public inspection, and copies thereof shall be made available to any person upon  
18      payment of the actual cost of reproducing the original.
- 19      (3) In connection with a hearing the cabinet shall issue subpoenas in response to any  
20      reasonable request by any party to the hearing requiring the attendance and  
21      testimony of witnesses and the production of evidence relevant to any matter  
22      involved in the hearing. In case of refusal to obey a subpoena issued to any person,  
23      the ~~Franklin~~ Circuit Court **of any county where the person may be found**, upon  
24      application by the cabinet, may issue to that person an order requiring him to appear  
25      before the cabinet, there to produce documentary evidence if so ordered or to give  
26      evidence touching the matter under investigation or in question; and any failure to  
27      obey the order of the court may be punished by the court as a contempt of court.

1 (4) All hearings conducted pursuant to this chapter shall be open to the public.

2 ➔Section 83. KRS 151.725 is amended to read as follows:

3 (1) The authority shall bring an action for the recovery of penalties provided for in KRS  
4 151.990, the payment of fees provided for in KRS 151.720, or for a restraining  
5 order, or a temporary or permanent injunction for the prevention or correction of a  
6 condition constituting or threatening to constitute a violation of the administrative  
7 regulations promulgated by the authority, the long-range water resource plan, or a  
8 drought response plan developed by the authority.

9 (2) All actions for penalties and injunctive relief for violations of the administrative  
10 regulations promulgated by the authority, the long-range water resource plan, or a  
11 drought response plan developed by the authority shall be brought by the authority  
12 in the:

13 (a) Circuit Court having jurisdiction of the defendant; **or**

14 (b) Circuit Court of the county in which the condition constituting or threatening  
15 to constitute a violation of the administrative regulations of the authority, the  
16 long-range water resource plan or a drought response plan developed by the  
17 authority is occurring[; ~~or~~

18 ~~(c) In the Franklin Circuit Court].~~

19 ➔Section 84. KRS 154.1-740 is amended to read as follows:

20 (1) Volunteers shall be disciplined or dismissed for cause only.

21 (2) In the event any volunteer is disciplined or dismissed for cause, he may appeal,  
22 within thirty (30) days, to **the** Franklin Circuit Court **or the Circuit Court of the**  
23 **county where the person volunteered** for reinstatement.

24 (3) If reinstatement is ordered by the **court**~~[Franklin Circuit Court]~~, the volunteer shall  
25 be returned to his job immediately and made whole, provided the order is not  
26 appealed to a higher court.

27 ➔Section 85. KRS 154.20-277 is amended to read as follows:

- 1 (1) Each investment fund manager shall cause the books and records of the investment  
2 fund to be audited on an annual basis by an independent certified public accountant  
3 in accordance with generally accepted accounting principles consistently applied.  
4 The audit shall address the financial condition of the investment fund and  
5 compliance with the provisions of KRS 141.068 and KRS 154.20-250 to 154.20-  
6 284. Each year the audit report shall be completed and certified by the independent  
7 certified public accountant and delivered to the authority within ninety (90) days  
8 after the end of the investment fund's fiscal year.
- 9 (2) The authority and the Department of Revenue, individually or collectively, may  
10 examine, under oath, any of the officers, trustees, partners, members, managers,  
11 directors, agents, employees, or investors of an investment fund regarding the  
12 affairs and business of the investment fund. The authority and the Department of  
13 Revenue, individually or collectively, may issue subpoenas and subpoenas duces  
14 tecum and administer oaths. Refusal to obey such a subpoena or subpoena duces  
15 tecum may be reported to the ~~Franklin~~ Circuit Court **of any county where the**  
16 **person named in the subpoena may be found**, which shall enforce the subpoena or  
17 subpoena duces tecum according to the rules of civil or criminal procedure, as  
18 applicable.
- 19 (3) In addition to the audits required by this section, the authority or the Department of  
20 Revenue may audit one (1) or more investment funds or investment fund managers  
21 in any year on a random basis or for cause. The authority or the Department of  
22 Revenue may also audit, for cause, any small business in which an investment fund  
23 has made a qualified investment. Nothing in this section shall be construed to  
24 prohibit the Department of Revenue from conducting any audit relating to the  
25 administration or enforcement of the tax laws of the Commonwealth which the  
26 Department of Revenue determines to be appropriate.
- 27 (4) If any audit conducted pursuant to this section discloses that an investment fund or

1 investment fund manager is not in compliance with the provisions of KRS 141.068  
2 and KRS 154.20-250 to 154.20-284, the authority and the Department of Revenue  
3 may consult with one another with respect to this noncompliance and the  
4 Department of Revenue may exercise any of its powers to protect the  
5 Commonwealth's interest and to enforce the provisions of KRS 141.068 and KRS  
6 154.20-250 to 154.20-284.

7 (5) The authority may give an investment fund manager written notice of any  
8 noncompliance with the provisions of KRS 154.20-250 to 154.20-284 and specify a  
9 period of time the investment fund manager shall have to cure any noncompliance.  
10 Failure to cure any such noncompliance within the period of time specified by the  
11 authority may result in further action by the authority pursuant to this section.

12 (6) Nothing in this section shall be construed to prohibit the Department of Financial  
13 Institutions, Division of Securities, or any other securities regulatory organization or  
14 body with jurisdiction over the activity of an investment fund or the investment  
15 fund manager from conducting any examination or investigation relating to the  
16 securities activities of the investment fund or investment fund manager. If any  
17 examination or investigation conducted pursuant to any securities laws or  
18 regulations discloses that an investment fund or investment fund manager is not in  
19 compliance with any provision of any applicable securities laws or regulations, the  
20 appropriate securities regulator may take whatever action it deems appropriate in  
21 accordance with such securities laws and regulations to respond to the  
22 noncompliance, notwithstanding any action the authority or the Department of  
23 Revenue may or may not take with respect to the noncompliance.

24 ➔Section 86. KRS 156.822 is amended to read as follows:

25 (1) Any final order of the board either upholding or invalidating the dismissal,  
26 demotion, suspension, or other penalization of a certified, equivalent, or  
27 unclassified employee may be appealed either by the employee or by the appointing

1 authority.

2 (2) The party aggrieved may appeal the final order by filing a petition with the clerk of  
3 the Franklin Circuit Court *or the Circuit Court of the county where the person was*  
4 *employed* in accordance with KRS Chapter 13B.

5 (3) If the appeal is from an order upholding the dismissal, demotion, suspension, or  
6 other penalization, the burden of appearing and defending the action of the board  
7 shall be upon the appointing authority. If the appeal is from an order refusing to  
8 uphold the dismissal, demotion, suspension, or other penalization, the burden of  
9 appearing and defending the action of the board shall be upon the employee.

10 ➔Section 87. KRS 156.836 is amended to read as follows:

11 (1) A final order of the board either upholding or invalidating the lay-off of a  
12 continuing status employee may be appealed either by the employee or by the  
13 appointing authority.

14 (2) The party aggrieved may appeal that order by filing a petition with the clerk of the  
15 Franklin Circuit Court *or the Circuit Court of the county where the person was*  
16 *employed* in accordance with KRS Chapter 13B.

17 ➔Section 88. KRS 160.6153 is amended to read as follows:

18 (1) If the department determines that the allocation among districts as submitted by the  
19 taxpayer on the return varies from the school district boundary information  
20 submitted to the department pursuant to KRS 160.6152, the department shall:

21 (a) Make a proposed administrative adjustment to correct the erroneous allocation  
22 going forward;

23 (b) Determine whether the erroneous allocation was used on prior returns and if it  
24 was, make a proposed administrative adjustment going back a maximum of  
25 one (1) year from the date the erroneous allocation was discovered; and

26 (c) Retain taxes collected and still on hand for distribution to the impacted  
27 districts that are related to the erroneous allocation until the proposed

1 administrative adjustment becomes final.

2 (2) Within ten (10) days of the discovery of the erroneous allocation, the department  
3 shall notify the taxpayer and the impacted school districts in writing of the  
4 allocation discrepancy, including the dollar amount at issue, the proposed  
5 administrative adjustment to be made, and the process for agreeing to or filing an  
6 exception to the proposed administrative adjustment.

7 (3) The proposed administrative adjustment shall become final upon the earlier of the  
8 receipt by the department of written acceptance of the administrative adjustment by  
9 all impacted school districts or the expiration of forty-five (45) days from the date  
10 of the notice with no exception having been filed.

11 (4) (a) Exceptions to the proposed administrative adjustment shall be filed with the  
12 commissioner of the department, within forty-five (45) days from the date of  
13 the notice, and shall include a supporting statement setting forth the basis of  
14 the exception. A copy of any exception filed shall also be mailed to the  
15 impacted utility services provider and any other impacted school district.

16 (b) After the exception has been filed, the impacted school district may request a  
17 conference with the department. The request shall be granted in writing stating  
18 the time and date of the conference. Other impacted school districts and the  
19 impacted utility services provider may also attend any conference. Additional  
20 conferences may be held upon mutual agreement.

21 (c) After considering the exceptions filed by the impacted school district,  
22 including any information provided during any conferences, a final  
23 administrative ruling shall be issued by the department. The final  
24 administrative ruling shall be mailed to all impacted school districts as well as  
25 the impacted utility services provider.

26 (d) The impacted school district filing the exception may request in writing a final  
27 ruling at any time after filing exceptions and a supporting statement, and the

1 department shall issue the ruling within thirty (30) days after the request is  
2 received by the department.

3 (e) After a final ruling has been issued, the school district may appeal to the  
4 Franklin Circuit Court or to the Circuit Court of the county in which the  
5 school district is located.

6 (5) The method and timing of the implementation of a final administrative ruling that  
7 requires a reallocation of previously distributed tax receipts shall be determined by  
8 agreement of the impacted school districts, provided that any agreement allowing  
9 for adjustments to be made over time in the future shall not extend beyond four (4)  
10 years.

11 (a) The department shall, upon request of the impacted school districts, assist in  
12 the development of an agreement.

13 (b) An agreement that requires distribution changes that vary from the district  
14 boundary information shall be provided to the department so that distributions  
15 can be made in accordance with the agreement.

16 (c) If the impacted school districts fail to reach an agreement regarding the  
17 reallocation of previously distributed tax receipts, the department shall adjust  
18 distributions going forward for four (4) years so that at the expiration of four  
19 (4) years, the district that should have received the original distribution has  
20 recouped all of the funds distributed erroneously, and the district that  
21 erroneously received the funds has repaid all of the funds distributed  
22 erroneously.

23 ➔Section 89. KRS 161.017 is amended to read as follows:

24 (1) The Education Professional Standards Board, established in KRS 161.028, shall be  
25 headed by an executive director who shall be responsible for the day to day  
26 operations of the board including the following:

27 (a) Setting up appropriate organizational structures and personnel policies for

- 1 approval by the board;
- 2 (b) Appointing all staff, including the deputy executive director;
- 3 (c) Preparing annual reports on the board's program of work;
- 4 (d) Carrying out policy and program directives of the board;
- 5 (e) Preparing and submitting to the board for its approval a proposed biennial
- 6 budget; and
- 7 (f) Performing all other duties and responsibilities assigned by state law.
- 8 (2) When it is necessary to fill the position of executive director, the board shall
- 9 conduct a comprehensive search for candidates and may employ a search firm if the
- 10 board deems it necessary. The executive director shall possess broad-based
- 11 experience in education and teacher development, and have demonstrated
- 12 leadership skills in addition to other qualifications to be established by the board as
- 13 authorized in KRS 161.028.
- 14 (3) With approval of the board, the executive director may enter into agreements with
- 15 any state agency or political subdivision of the state, any postsecondary education
- 16 institution, or any other person or entity to enlist assistance to implement the duties
- 17 and responsibilities of the board.
- 18 (4) The executive director shall have access to the papers, books, and records of
- 19 education personnel as part of an inquiry or investigation relating to disciplinary
- 20 actions against a certified employee.
- 21 (5) Pursuant to KRS 161.120, the executive director, on behalf of the board, may issue
- 22 administrative subpoenas for the attendance of witnesses and the production of
- 23 documents relevant to disciplinary cases under consideration. Compliance with the
- 24 subpoenas shall be enforceable by any~~the~~ Circuit Court of competent
- 25 jurisdiction~~[in Franklin County]~~.
- 26 ➔Section 90. KRS 161.120 is amended to read as follows:
- 27 (1) Except as described in KRS 161.795, the Education Professional Standards Board

1        may revoke, suspend, or refuse to issue or renew; impose probationary or  
2        supervisory conditions upon; issue a written reprimand or admonishment; or any  
3        combination of those actions regarding any certificate issued under KRS 161.010 to  
4        161.100, or any certificate or license issued under any previous law to  
5        superintendents, principals, teachers, substitute teachers, interns, supervisors,  
6        directors of pupil personnel, or other administrative, supervisory, or instructional  
7        employees for the following reasons:

8        (a) Being convicted of, or entering an "Alford" plea or plea of nolo contendere to,  
9        notwithstanding an order granting probation or suspending imposition of any  
10       sentence imposed following the conviction or entry of the plea, one (1) of the  
11       following:

- 12        1. A felony;
- 13        2. A misdemeanor under KRS Chapter 218A, 508, 509, 510, 522, 525,  
14        529, 530, or 531; or
- 15        3. A misdemeanor involving a student or minor.

16        A certified copy of the conviction or plea shall be conclusive evidence of the  
17        conviction or plea;

18        (b) Having sexual contact as defined in KRS 510.010(7) with a student or minor.  
19        Conviction in a criminal proceeding shall not be a requirement for disciplinary  
20        action;

21        (c) Committing any act that constitutes fraudulent, corrupt, dishonest, or immoral  
22        conduct. If the act constitutes a crime, conviction in a criminal proceeding  
23        shall not be a condition precedent to disciplinary action;

24        (d) Demonstrating willful or careless disregard for the health, welfare, or safety of  
25        others;

26        (e) Physical or mental incapacity that prevents the certificate holder from  
27        performing duties with reasonable skill, competence, or safety;

- 1 (f) Possessing, using, or being under the influence of alcohol, which impairs the  
2 performance of duties;
- 3 (g) Unlawfully possessing or unlawfully using a drug during the performance of  
4 duties;
- 5 (h) Incompetency or neglect of duty;
- 6 (i) Making, or causing to be made, any false or misleading statement or  
7 concealing a material fact in obtaining issuance or renewal of any certificate;
- 8 (j) Failing to report as required by subsection (2) of this section;
- 9 (k) Failing to comply with an order of the Education Professional Standards  
10 Board;
- 11 (l) Violating any state statute relating to schools or the teaching profession;
- 12 (m) Violating the professional code of ethics for Kentucky school certified  
13 personnel established by the Education Professional Standards Board through  
14 the promulgation of administrative regulation;
- 15 (n) Violating any administrative regulation promulgated by the Education  
16 Professional Standards Board or the Kentucky Board of Education; or
- 17 (o) Receiving disciplinary action or having the issuance of a certificate denied or  
18 restricted by another jurisdiction on grounds that constitute a violation of this  
19 subsection.
- 20 (2) (a) The superintendent of each local school district shall report in writing to the  
21 Education Professional Standards Board the name, address, phone number,  
22 Social Security number, and position name of any certified school employee  
23 in the employee's district whose contract is terminated or not renewed, for  
24 cause except failure to meet local standards for quality of teaching  
25 performance prior to the employee gaining tenure; who resigns from, or  
26 otherwise leaves, a position under threat of contract termination, or  
27 nonrenewal, for cause; who is convicted in a criminal prosecution; or who

1 otherwise may have engaged in any actions or conduct while employed in the  
2 school district that might reasonably be expected to warrant consideration for  
3 action against the certificate under subsection (1) of this section. The duty to  
4 report shall exist without regard to any disciplinary action, or lack thereof, by  
5 the superintendent, and the required report shall be submitted within thirty  
6 (30) days of the event giving rise to the duty to report.

7 (b) The district superintendent shall inform the Education Professional Standards  
8 Board in writing of the full facts and circumstances leading to the contract  
9 termination or nonrenewal, resignation, or other absence, conviction, or  
10 otherwise reported actions or conduct of the certified employee, that may  
11 warrant action against the certificate under subsection (1) of this section, and  
12 shall forward copies of all relevant documents and records in his possession.

13 (c) The Education Professional Standards Board may consider reports and  
14 information received from other sources.

15 (d) The certified school employee shall be given a copy of any report provided to  
16 the Education Professional Standards Board by the district superintendent or  
17 other sources. The employee shall have the right to file a written rebuttal to  
18 the report which shall be placed in the official file with the report.

19 (3) A finding or action by a school superintendent or tribunal does not create a  
20 presumption of a violation or lack of a violation of subsection (1) of this section.

21 (4) The board may issue a written admonishment to the certificate holder if the board  
22 determines, based on the evidence, that a violation has occurred that is not of a  
23 serious nature. A copy of the written admonishment shall be placed in the official  
24 file of the certificate holder. The certificate holder may respond in writing to the  
25 admonishment within thirty (30) days of receipt and have that response placed in his  
26 official certification file. Alternatively, the certificate holder may file a request for a  
27 hearing with the board within thirty (30) days of receipt of the admonishment. Upon

- 1 receipt of a request for a hearing, the board shall set aside the written admonishment  
2 and set the matter for hearing pursuant to the provisions of KRS Chapter 13B.
- 3 (5) (a) The Education Professional Standards Board shall schedule and conduct a  
4 hearing in accordance with KRS Chapter 13B:
- 5 1. Before revoking, suspending, refusing to renew, imposing probationary  
6 or supervisory conditions upon, issuing a written reprimand, or any  
7 combination of these actions regarding any certificate;
  - 8 2. After denying an application for a certificate, upon written request filed  
9 within thirty (30) days of receipt of the letter advising of the denial; or
  - 10 3. After issuing a written admonishment, upon written request for a hearing  
11 filed within thirty (30) days of receipt of the written admonishment.
- 12 (b) Upon request, a hearing may be public or private at the discretion of the  
13 certified employee or applicant.
- 14 (c) The hearing shall be conducted before the full board, a panel of three (3)  
15 members of the board, or a person appointed as hearing officer by the board  
16 pursuant to KRS 13B.030(1).
- 17 (6) The Education Professional Standards Board or its chair may take emergency action  
18 pursuant to KRS 13B.125. Emergency action shall not affect a certificate holder's  
19 contract or tenure rights in the school district.
- 20 (7) If the Education Professional Standards Board substantiates that sexual contact  
21 occurred between a certified employee and a student or minor, the employee's  
22 certificate may be revoked or suspended with mandatory treatment of the employee  
23 as prescribed by the Education Professional Standards Board. The Education  
24 Professional Standards Board may require the employee to pay a specified amount  
25 for mental health services for the student or minor which are needed as a result of  
26 the sexual contact.
- 27 (8) At any time during the investigative or hearing processes, the board may enter into

1 an agreed order or accept an assurance of voluntary compliance with the certificate  
2 holder.

3 (9) The board may reconsider, modify, or reverse its decision on any disciplinary  
4 action.

5 (10) Suspension of a certificate shall be for a specified period of time, not to exceed two  
6 (2) years.

7 (a) At the conclusion of the specified period, upon demonstration of compliance  
8 with any educational requirements and the terms set forth in the agreed order,  
9 the certificate shall be reactivated.

10 (b) A suspended certificate is subject to expiration and termination.

11 (11) Revocation of a certificate is a permanent forfeiture. The board shall establish the  
12 minimum period of time before an applicant can apply for a new certificate.

13 (a) At the conclusion of the specified period, and upon demonstration of  
14 compliance with any educational requirements and the terms set forth in the  
15 agreed order, the applicant shall bear the burden of proof to show that he or  
16 she is again fit for practice.

17 (b) The board shall have discretion to impose conditions that it deems reasonably  
18 appropriate to ensure the applicant's fitness and the protection of public safety.  
19 Any conditions imposed by the board shall address or apply to only that time  
20 period after the revocation of the certificate.

21 (12) An appeal from any final order of the Education Professional Standards Board shall  
22 be filed in the Franklin Circuit Court or the Circuit Court of any county where the  
23 person who was the subject of the action resides in accordance with KRS Chapter  
24 13B.

25 ➔Section 91. KRS 161.250 is amended to read as follows:

26 (1) (a) The general administration and management of the retirement system, and the  
27 responsibility for its proper operation and for making effective provisions of

1 KRS 161.155 and 161.220 to 161.714 are vested in a board of trustees to be  
2 known as the "Board of Trustees of the Teachers' Retirement System of the  
3 State of Kentucky."

4 (b) The board of trustees shall consist of the following:

- 5 1. The chief state school officer;
- 6 2. The State Treasurer;
- 7 3. Two (2) trustees, appointed by the Governor of the Commonwealth,  
8 subject to Senate confirmation in accordance with KRS 11.160 for each  
9 appointment or reappointment. These two (2) trustees shall have  
10 investment experience. For purposes of this subparagraph, a trustee with  
11 "investment experience" means an individual who does not have a  
12 conflict of interest, as provided by KRS 161.460, and who has at least  
13 ten (10) years of experience in one (1) of the following areas of  
14 expertise:
  - 15 a. A portfolio manager acting in a fiduciary capacity;
  - 16 b. A professional securities analyst or investment consultant;
  - 17 c. A current or retired employee or principal of a trust institution,  
18 investment or finance organization, or endowment fund acting in  
19 an investment-related capacity;
  - 20 d. A chartered financial analyst in good standing as determined by the  
21 CFA Institute; or
  - 22 e. A university professor, teaching investment-related studies; and
- 23 4. Seven (7) other trustees elected as provided in KRS 161.260. Four (4) of  
24 the elective trustees shall be members of the retirement system, to be  
25 known as teacher trustees, two (2) shall be persons who are not members  
26 of the teaching profession, to be known as the lay trustees, and one (1)  
27 shall be an annuitant of the retirement system to be known as the retired

1 teacher trustee. One (1) teacher trustee shall be elected annually for a  
2 four-year term. The retired teacher trustee shall be elected every four (4)  
3 years. The chief state school officer and the State Treasurer are  
4 considered ex officio members of the board of trustees and may  
5 designate in writing a person to represent them at board meetings.

6 (c) 1. Elective trustees shall not serve more than three (3) consecutive four (4)  
7 year terms. An elective trustee who has served three (3) consecutive  
8 terms may be elected again after an absence of four (4) years from the  
9 board of trustees.

10 2. The term limits established by subparagraph 1. of this paragraph shall  
11 apply to elective trustees serving on or after July 1, 2012, and all terms  
12 of office served prior to July 1, 2012, shall be used to determine if the  
13 elective trustee has exceeded the term limits provided by subparagraph  
14 1. of this paragraph.

15 (d) 1. Each appointed trustee shall serve a term of four (4) years. An appointed  
16 trustee shall not serve more than three (3) consecutive four (4) year  
17 terms. An appointed trustee who has served three (3) consecutive terms  
18 may be appointed again after an absence of four (4) years from the board  
19 of trustees.

20 2. Any vacancy that occurs in an appointed position shall be filled in the  
21 same manner that provides for the selection of the trustee; however, any  
22 vacancy shall be filled only for the duration of the unexpired term.

23 (2) A member, retired member, or designated beneficiary may appeal the retirement  
24 system's decisions that materially affect the amount of service retirement allowance,  
25 amount of service credit, eligibility for service retirement, or eligibility for  
26 survivorship benefits to which that member, retired member, or designated  
27 beneficiary claims to be entitled. All appeals must be in writing and filed with the

1 retirement system within thirty (30) days of the claimant's first notice of the  
2 retirement system's decision. For purposes of this section, notice shall be complete  
3 and effective upon the date of mailing of the retirement system's decision to the  
4 claimant at the claimant's last known address. Failure by the claimant to file a  
5 written appeal with the retirement system within the thirty (30) day period shall  
6 result in the decision of the retirement system becoming permanent with the effect  
7 of a final and unappealable order. Appeals may include a request for an  
8 administrative hearing which shall be conducted in accordance with the provisions  
9 of KRS Chapter 13B. The board of trustees may establish an appeals committee  
10 whose members shall be appointed by the chairperson and who shall have the  
11 authority to act upon the report and recommendation of the hearing officer by  
12 issuing a final order on behalf of the full board of trustees. A member, retired  
13 member, or designated beneficiary who has filed a timely, written appeal of a  
14 decision of the retirement system may, following the administrative hearing and  
15 issuance of the final order by the board of trustees, appeal the final order of the  
16 board of trustees to the ~~Franklin~~ Circuit Court **of the county in which the person**  
17 **resides** in accordance with the provisions of KRS Chapter 13B.

18 (3) The board of trustees shall establish a formal trustee education program for all  
19 trustees of the board. The program shall include but not be limited to the following:

- 20 (a) A required orientation program for all new trustees to the board. The  
21 orientation program shall include training on:
- 22 1. Benefits and benefits administration;
  - 23 2. Investment concepts, policies, and current composition and  
24 administration of retirement system investments;
  - 25 3. Laws, bylaws, and administrative regulations pertaining to the  
26 retirement system and to fiduciaries; and
  - 27 4. Actuarial and financial concepts pertaining to the retirement system.

- 1           If a trustee fails to complete the orientation program within one (1) year from  
2           the beginning of his or her first term on the board, the retirement system shall  
3           withhold payment of the per diem and travel expenses due to the board  
4           member under KRS 161.290 until the trustee has completed the orientation  
5           program;
- 6           (b) Annual required training for trustees on the administration, benefits,  
7           financing, and investing of the retirement system. If a trustee fails to complete  
8           the annual required training during the calendar or fiscal year, the retirement  
9           system shall withhold payment of the per diem and travel expenses due to the  
10          board member under KRS 161.290 until the board member has met the annual  
11          training requirements; and
- 12          (c) The retirement system shall incorporate by reference in an administrative  
13          regulation, pursuant to KRS 13A.2251, the trustee education program.
- 14       (4) In order to improve public transparency regarding the administration of the system,  
15          the board of trustees shall adopt a best practices model by posting the following  
16          information to the retirement system's Web site and shall make available to the  
17          public:
- 18          (a) Meeting notices and agendas for all meetings of the board. Notices and  
19          agendas shall be posted to the retirement system's Web site at least seventy-  
20          two (72) hours in advance of the board or committee meetings, except in the  
21          case of special or emergency meetings as provided by KRS 61.823;
- 22          (b) The Comprehensive Annual Financial Report with the information as follows:
- 23               1. A general overview and update on the retirement system by the  
24               executive secretary;
- 25               2. A listing of the board of trustees;
- 26               3. A listing of key staff;
- 27               4. An organizational chart;

- 1           5. Financial information, including a statement of plan net assets, a  
2           statement of changes in plan net assets, an actuarial value of assets, a  
3           schedule of investments, a statement of funded status and funding  
4           progress, and other supporting data;
- 5           6. Investment information, including a general overview, a list of the  
6           retirement system's professional consultants, a total net return on  
7           retirement system investments over a historical period, an investment  
8           summary, contracted investment management expenses, transaction  
9           commissions, and a schedule of investments;
- 10          7. The annual actuarial valuation report on the pension benefit and the  
11          medical insurance benefit; and
- 12          8. A general statistical section, including information on contributions,  
13          benefit payouts, and retirement system demographic data;
- 14          (c) All external audits;
- 15          (d) All board minutes or other materials that require adoption or ratification by  
16          the board of trustees. The items listed in this paragraph shall be posted within  
17          seventy-two (72) hours of adoption or ratification of the board;
- 18          (e) All bylaws, policies, or procedures adopted or ratified by the board of trustees;
- 19          (f) The retirement system's summary plan description;
- 20          (g) The retirement system's law book;
- 21          (h) A listing of the members of the board of trustees and membership on each  
22          committee established by the board, including any investment committees;
- 23          (i) All investment holdings in aggregate, fees, and commissions for each fund  
24          administered by the board, which shall be updated on a quarterly basis for  
25          fiscal years beginning on or after July 1, 2017. The system shall request from  
26          all managers, partnerships, and any other available sources all information  
27          regarding fees and commissions and shall, based on the requested information

1 received:

- 2 1. Disclose the dollar value of fees or commissions paid to each individual
- 3 manager or partnership;
- 4 2. Disclose the dollar value of any profit sharing, carried interest, or any
- 5 other partnership incentive arrangements, partnership agreements, or any
- 6 other partnership expenses received by or paid to each manager or
- 7 partnership; and
- 8 3. As applicable, report each fee or commission by manager or partnership
- 9 consistent with standards established by the Institutional Limited
- 10 Partners Association (ILPA).

11 In addition to the requirements of this paragraph, the system shall also  
12 disclose the name and address of all individual underlying managers or  
13 partners in any fund of funds in which system assets are invested;

14 (j) An update of net of fees investment returns, asset allocations, and the  
15 performance of the funds against benchmarks adopted by the board for each  
16 fund, for each asset class administered by the board, and for each manager.  
17 The update shall be posted on a quarterly basis for fiscal years beginning on or  
18 after July 1, 2017;

19 (k) All contracts or offering documents for services, goods, or property purchased  
20 or utilized by the system; and

21 (l) A searchable database of the system's expenditures and a listing of each  
22 individual employed by the system along with the employee's salary or wages.  
23 In lieu of posting the information required by this paragraph to the system's  
24 Web site, the system may provide the information through a Web site  
25 established by the executive branch to inform the public about executive  
26 branch agency expenditures and public employee salaries and wages.

27 (5) Notwithstanding the requirements of subsection (4) of this section, the retirement

1 system shall not be required to furnish information that is protected under KRS  
2 161.585, exempt under KRS 61.878, or that, if disclosed, would compromise the  
3 retirement system's ability to competitively invest in real estate or other asset  
4 classes, except that no provision of this section or KRS 61.878 shall exclude  
5 disclosure and review of all contracts, including investment contracts, by the board,  
6 the Auditor of Public Accounts, and the Government Contract Review Committee  
7 established pursuant to KRS 45A.705 or the disclosure of investment fees and  
8 commissions as provided by this section. If any public record contains material  
9 which is not excepted under this section, the system shall separate the excepted  
10 material by removal, segregation, or redaction, and make the nonexcepted material  
11 available for examination.

12 (6) For any benefit improvements the General Assembly has authorized the board of  
13 trustees to establish under KRS 161.220 to 161.716 and that require formal  
14 adoption by the board, the board shall establish the benefits by promulgation of  
15 administrative regulations in accordance with KRS Chapter 13A.

16 ➔Section 92. KRS 164.993 is amended to read as follows:

17 (1) Any person, including campus personnel, who knowingly violates the provisions of  
18 KRS 164.9481 and 164.9483, or who knowingly induces another, directly or  
19 indirectly, to violate the provisions of those sections, shall be fined not less than  
20 five hundred dollars (\$500), nor more than one thousand five hundred dollars  
21 (\$1,500), or imprisoned in the county jail for up to thirty (30) days, or both.

22 (2) In addition to the penalties required in subsection (1) of this section, any person or  
23 any postsecondary education institution who violates the provisions of KRS  
24 164.9483 shall be liable for a civil penalty of not less than one thousand dollars  
25 (\$1,000) nor more than two thousand dollars (\$2,000) per violation for each day the  
26 violation occurs or remains in effect. The state fire marshal shall have the authority,  
27 after investigation, to assess and collect the fines. Any person or postsecondary

1 education institution aggrieved by an assessment of a civil fine may appeal to the  
2 Franklin Circuit Court *or the Circuit Court of the county where the person resides*  
3 *or the institution is located.*

4 ➔Section 93. KRS 165A.410 is amended to read as follows:

5 The Attorney General may, at the request of the Kentucky Commission on Proprietary  
6 Education or on his own motion, bring in a Circuit Court appropriate action for the  
7 enforcement of the provisions of this chapter. Any such action under this section  
8 *shall*~~[may, at the discretion of the Attorney General,]~~ be brought~~[either]~~ in the county in  
9 which the violation occurred~~[or in the Franklin Circuit Court,]~~ or other appropriate court.

10 ➔Section 94. KRS 165A.495 is amended to read as follows:

11 Any person whose license to conduct a CDL driver training school or any person whose  
12 license to give instructions in these schools has been suspended or revoked or the issue or  
13 renewal thereof is refused, may request a hearing. The request shall be in writing  
14 addressed to the commission, who shall conduct a hearing thereon as soon as possible.  
15 The hearing shall be conducted in accordance with KRS Chapter 13B. Any person may  
16 appeal from the final order of the commission in the Franklin Circuit Court *or the Circuit*  
17 *Court of the county where the person resides* in accordance with KRS Chapter 13B.

18 ➔Section 95. KRS 176.170 is amended to read as follows:

19 (1) Any applicant aggrieved by the decision of the department made pursuant to KRS  
20 176.160 may, within ten (10) days after receiving notification of the decision,  
21 request in writing an administrative hearing which shall be conducted in accordance  
22 with KRS Chapter 13B.

23 (2) Any applicant who is aggrieved by the final order of the department may appeal to  
24 the Franklin Circuit Court *or the Circuit Court of the county where the applicant*  
25 *resides* in accordance with KRS Chapter 13B.

26 ➔Section 96. KRS 177.190 is amended to read as follows:

27 (1) Any railroad company dissatisfied with a final order of the department directing the

1 elimination of any grade crossing or change of existing overhead or underpass  
2 structure, or any order modifying or amending the final order may appeal by filing a  
3 petition in the clerk's office of the Franklin Circuit Court of the Circuit Court of the  
4 county in which the crossing or structure is located in accordance with KRS  
5 Chapter 13B.

6 (2) On the hearing of the appeal, the Circuit Court shall determine whether the  
7 elimination of the grade crossing, or the change in existing overhead or underpass  
8 structure, is reasonably necessary for the safety of the traveling public, and whether  
9 the plans and specifications prescribed by the order of the department are  
10 reasonably adequate to provide safety of operation for the trains of the railroad  
11 company, its employees and the public, and make reasonably adequate provisions  
12 for the future development of the railroad company's facilities.

13 (3) If the court finds from the evidence that the elimination of the grade crossing or  
14 change in existing overhead or underpass structure is not reasonably necessary for  
15 the safety of the traveling public, it shall, by final judgment, enjoin the department  
16 from enforcing its final order.

17 (4) If the court finds from the evidence that the elimination of the grade crossing or  
18 change in existing overhead or underpass structure is reasonably necessary for the  
19 safety of the traveling public, it shall, by final judgment, either order the railroad  
20 company to proceed with the work in accordance with the final order of the  
21 department, or in accordance with other plans and specifications prescribed by the  
22 court.

23 ➔Section 97. KRS 177.210 is amended to read as follows:

24 If any railroad company fails to comply with any order of the department issued under  
25 authority of KRS 177.120 to 177.210, the department may cause to be instituted in  
26 any~~the Franklin~~ Circuit Court of competent jurisdiction, in the name of the state, an  
27 action to compel compliance with the order by mandatory process of the court.

1       ➔Section 98. KRS 183.121 is amended to read as follows:

2       (1) The cabinet may designate, design, establish, expand, or modify a state airways  
3       system which will best serve the interests of the state. It may chart such airways  
4       systems and arrange for publication and distribution of such maps, charts, notices  
5       and bulletins relating to such airways as may be required in the public interest. The  
6       system shall be supplementary to and coordinated in design and operation with the  
7       federal airways system. It may include all types of air navigation facilities, whether  
8       publicly or privately owned, provided that such facilities conform to federal safety  
9       standards.

10       (2) It may participate as party plaintiff or defendant, or as intervener on behalf of the  
11       state, or on behalf of any air board or governmental unit or other person in any  
12       controversy involving any right of the state or others pertaining to aeronautics.

13       (3) To enforce the provisions of this chapter the cabinet may in addition to all other  
14       remedies institute and prosecute injunctive proceedings without the execution of a  
15       bond.

16       (4) ~~[/The Franklin Circuit Court shall hold concurrent venue with the courts of this~~  
17       ~~Commonwealth of all]~~Civil and injunctive actions instituted by the cabinet for the  
18       enforcement of this chapter and the orders, rules and regulations of the cabinet **shall**  
19       **be filed in the Circuit Court of the county of the respondent's residence or where**  
20       **a substantial part of the events giving rise to the claim occurred**~~[thereunder].~~

21       ➔Section 99. KRS 183.864 is amended to read as follows:

22       ~~[/The Franklin Circuit Court shall hold concurrent venue with the courts of this~~  
23       ~~Commonwealth in]~~All civil and injunctive actions instituted by the commission for the  
24       enforcement of applicable statutes, rules, regulations and orders issued **shall be filed in**  
25       **the Circuit Court of a county where a substantial part of the events giving rise to the**  
26       **claim occurred.**

27       ➔Section 100. KRS 186.059 is amended to read as follows:

- 1 (1) Operation of a commercial vehicle at a gross weight in excess of the declared gross  
2 weight at which such vehicle is registered under subsection (8), (9), or (10) of KRS  
3 186.050, shall make any owner or operator, otherwise entitled to a reduced fee set  
4 out in those subsections ineligible for same for the entire license year.
- 5 (2) The department, upon receipt of information substantiated by affidavit, that any  
6 owner or operator is operating a motor vehicle in excess of the gross weight at  
7 which it is registered under subsection (8), (9), or (10) of KRS 186.050, may issue  
8 notice to the owner or operator advising that he is ineligible for the reduced fee or,  
9 that the privilege is revoked for the current license year. Within thirty (30) days of  
10 the date of the issuance of the notice, any affected owner or operator may request a  
11 hearing to be conducted in accordance with the provisions of KRS Chapter 13B.  
12 Failure to request a hearing within thirty (30) days of the date of the issuance of the  
13 notice shall make the ruling absolute, and the owner or operator shall be liable for  
14 the payment of the fees applicable under KRS 186.050(3) for the entire license year.
- 15 (3) If a hearing is requested in accordance with the provisions of subsection (2) of this  
16 section, the owner or operator shall not be entitled to the reduced fee during the  
17 interim between the application for hearing and the department's final order, unless  
18 he shall file with the department a bond in the amount of five hundred dollars  
19 (\$500) per vehicle to be applied to the payment of any taxes which the department,  
20 as a result of the hearing, may determine are due the Commonwealth.
- 21 (4) The question for determination at any hearing held at the request of an owner or  
22 operator receiving a notice from the department shall be whether or not the owner  
23 or operator has operated a commercial vehicle in excess of the declared gross  
24 weight at which it is registered under subsection (8), (9), or (10) or KRS 186.050.  
25 The burden of proof shall be upon the department to show such unlawful operation.  
26 Any final order of the department shall be subject to appeal to the Franklin Circuit  
27 Court or the Circuit Court of the county where the violation occurred in

1 accordance with KRS Chapter 13B, and any bond posted with the department shall  
2 be held pending the judgment of the highest court to which the matter is appealed.

3 ➔Section 101. KRS 190.040 is amended to read as follows:

- 4 (1) A license may be denied, suspended, or revoked on the following grounds:
- 5 (a) Proof of financial or moral unfitness of applicant;
  - 6 (b) Material misstatement in application for license;
  - 7 (c) Filing a materially false or fraudulent tax return as certified by the Department  
8 of Revenue;
  - 9 (d) Willful failure to comply with any provision of this chapter or any  
10 administrative regulation promulgated under this chapter;
  - 11 (e) Willfully defrauding any retail buyer to the buyer's damage;
  - 12 (f) Willful failure to perform any written agreement with any buyer;
  - 13 (g) Failure or refusal to furnish and keep in force any bond required;
  - 14 (h) Having made a fraudulent sale, transaction, or repossession;
  - 15 (i) False or misleading advertising;
  - 16 (j) Fraudulent misrepresentation, circumvention, or concealment through  
17 subterfuge or device of any of the material particulars or the nature of them  
18 required to be stated or furnished to the retail buyer;
  - 19 (k) Employment of fraudulent devices, methods, or practices in connection with  
20 compliance with the requirements under the statutes of this state with respect  
21 to the retaking of goods under retail installment contracts and the redemption  
22 and resale of goods;
  - 23 (l) Having violated any law relating to the sale, distribution, or financing of  
24 motor vehicles or new recreational vehicles;
  - 25 (m) Being a manufacturer of motor vehicles or recreational vehicles, factory  
26 branch, distributor, field representative, officer, agent, or any representative of  
27 the motor vehicle manufacturer, recreational vehicle manufacturer, or factory

- 1 branch, who has induced, coerced, or attempted to induce or coerce any  
2 automobile dealer or new recreational vehicle dealer to accept delivery of any  
3 motor vehicle, new recreational vehicle, vehicles, parts, accessories, or any  
4 other commodities that shall not have been ordered by the dealer;
- 5 (n) Being a manufacturer of motor vehicles or recreational vehicles, factory  
6 branch, distributor, field representative, officer, agent, or any representative of  
7 a motor vehicle manufacturer or factory branch, who has attempted to induce  
8 or coerce, or has induced or coerced, any dealer to enter into any agreement  
9 with a manufacturer, factory branch, or representative, or to do any other act  
10 unfair to the dealer, by threatening to cancel any franchise existing between a  
11 manufacturer, factory branch, or representative and the dealer;
- 12 (o) Being a manufacturer, factory branch, distributor, field representative, officer,  
13 agent, or any representative of a motor vehicle manufacturer or factory branch,  
14 who has unfairly, without due regard to the equities of the dealer and without  
15 just provocation, canceled the franchise of any motor vehicle dealer. The  
16 nonrenewal of a franchise or selling agreement without just provocation or  
17 cause shall be deemed an evasion of this section and shall constitute an unfair  
18 cancellation;
- 19 (p) Being a manufacturer, factory branch, distributor, field representative, officer,  
20 agent, or any representative of a motor vehicle manufacturer, recreational  
21 vehicle manufacturer, or factory branch, or wholesaler who makes, attempts to  
22 make, or aids or abets the making of a sale of a motor vehicle or a new  
23 recreational vehicle to a person other than a licensed motor vehicle dealer or  
24 new recreational vehicle dealer. This section shall not prevent any  
25 manufacturer from offering discounts or rebates on any motor vehicle or new  
26 recreational vehicle to any of its employees; or
- 27 (q) Being a dealer who advertises for sale a new motor vehicle or new

1 recreational vehicle unless he is a dealer operating under a franchise with a  
2 licensed manufacturer, factory branch, or distributor authorizing the sale of  
3 the new motor vehicle or the new recreational vehicle being advertised.

4 (2) The licensor may deny the application for a license within thirty (30) days after  
5 receipt thereof by written notice to the applicant, stating the grounds for denial.  
6 Upon request by the applicant whose license has been denied, the licensor shall set  
7 the time and place of hearing a review of denial, to be conducted in accordance with  
8 KRS Chapter 13B.

9 (3) A license shall not be suspended or revoked except after a hearing conducted in  
10 accordance with KRS Chapter 13B.

11 (4) The commission may inspect the pertinent books, letters, records, and contracts of a  
12 licensee.

13 (5) If a licensee is a firm or corporation, it shall be sufficient cause for the denial,  
14 suspension, or revocation of a license that any officer, director, or trustee of the firm  
15 or corporation, or any member in case of a partnership, has been guilty of any act or  
16 omission which would be cause for refusing, suspending, or revoking a license to  
17 the party as an individual. Each licensee shall be responsible for the acts of any or  
18 all of his salesmen while acting as his agent, if the licensee approved of or had  
19 knowledge of the acts and after approval or knowledge retained the benefit,  
20 proceeds, profits, or advantages accruing from the acts.

21 (6) Any licensee or other person in interest who is dissatisfied with a final order of the  
22 commission may appeal to any~~the Franklin~~ Circuit Court of competent  
23 jurisdiction and to the Court of Appeals in the manner provided by KRS Chapter  
24 13B.

25 ➔Section 102. KRS 190.059 is amended to read as follows:

26 The final order of the commission granting or refusing to grant an application for a  
27 license, or to suspend or revoke a license may be appealed by an aggrieved party in any

1 ~~[to the]~~ Circuit Court **of competent jurisdiction**~~[of Franklin County]~~ in accordance with  
2 KRS Chapter 13B. Nothing in this section shall be construed to limit the authority of the  
3 court to grant such relief as the circumstances may require. If the issues involved were  
4 first presented to the commission by a complaint filed with the commission, the  
5 complainant may appeal from the decision of the commission in the same manner as  
6 prescribed above.

7 ➔Section 103. KRS 190.062 is amended to read as follows:

8 (1) Notwithstanding the terms, provisions, or conditions of any agreement or franchise,  
9 or the terms or provisions of any waiver, any person who is injured in his business  
10 or property by a violation of this section or any person so injured because he refuses  
11 to accede to a proposal for an arrangement which, if consummated, would be in  
12 violation of this section, may bring a civil action in **any**~~[the Franklin]~~ Circuit Court  
13 **of competent jurisdiction** to enjoin further violations, to recover the actual damages  
14 sustained by him, together with costs of the suit, including a reasonable attorney's  
15 fee.

16 (2) The commission may order, deny, suspend, or revoke the license of any new motor  
17 vehicle dealer, new recreational vehicle dealer, manufacturer, distributor, factory  
18 branch, or factory representative for failing to comply with any provisions of KRS  
19 190.010 to 190.080 or KRS Chapter 190A, as such provisions apply, respectively,  
20 to new motor vehicle dealers, new recreational vehicle dealers, manufacturers,  
21 distributors, factory branches, or factory representatives; or in lieu thereof, or in  
22 addition thereto, may assess monetary penalties of a civil nature not to exceed one  
23 thousand dollars (\$1,000) for each violation.

24 (3) The provisions of KRS 190.010 to 190.080 and KRS Chapter 190A, as such  
25 provisions apply, respectively, to new motor vehicle dealers, new recreational  
26 vehicle dealers, manufacturers, distributors, factor branches, or factory  
27 representatives, shall apply to all persons required to be licensed under the terms

1        herein, and to dealerships and contracts between new motor vehicle dealers, new  
2        recreational vehicle dealers, and manufacturers, distributors, factory branches, or  
3        factory representatives at the time of its passage, and to all such future new motor  
4        vehicle dealerships and contracts.

5        (4) (a) In addition to the provisions of this section, before a civil action involving  
6        recreational vehicle franchise issues is brought, the party bringing suit for an  
7        alleged violation of this chapter shall serve a written demand for mediation on  
8        the offending party. The demand for mediation shall include a brief statement  
9        of the dispute and the relief sought by the party making the demand. The party  
10       making the demand shall serve the demand by certified mail to one (1) of the  
11       following addresses:

- 12        1. In an action between a new recreational vehicle dealer and a  
13        manufacturer, the address stated in the dealer agreement between the  
14        parties;
- 15        2. In an action between a new recreational vehicle dealer and a warrantor  
16        that is not a manufacturer, the address stated in any agreement between  
17        the parties; or
- 18        3. In an action between two (2) new recreational vehicle dealers, the  
19        address of the offending dealer in the records of the commission.

20        (b) Within twenty (20) days after a demand for mediation is served under this  
21        subsection, the parties shall mutually select an independent mediator who is  
22        approved by the commission and meet with that mediator for the purpose of  
23        attempting to resolve the dispute at a location in this state selected by the  
24        mediator. The mediator may extend the date of the meeting for good cause  
25        shown by either party or if the parties agree to the extension.

26        (c) The service of a demand for mediation under this subsection tolls the time for  
27        the filing of any complaint, petition, protest, or other action under this chapter

1           until representatives of both parties have met with the mediator selected  
2           pursuant to paragraph (b) of this subsection for the purpose of attempting to  
3           resolve the dispute. If a complaint, petition, protest, or other action is filed  
4           before that meeting, the court shall enter an order suspending the proceeding  
5           or action until the mediation meeting has occurred and may, if all the parties  
6           to the proceeding or action stipulate in writing that they wish to continue to  
7           mediate under this subsection, enter an order suspending the proceeding or  
8           action for as long a period as the court considers appropriate.

9           (d) Each of the parties to the mediation under this subsection is responsible for its  
10          own attorney fees. The parties shall equally divide the cost of the mediator.

11          ➔Section 104. KRS 197.510 is amended to read as follows:

12          Any contract entered on or after July 15, 1988, between the state and a private provider  
13          for the operation and management of an adult correctional facility shall include terms  
14          which comply with at least the following:

15          (1) Unless otherwise provided by KRS 197.505 to 197.525, any adult correctional  
16          facility contracted for pursuant to KRS 197.505 shall submit a plan to the  
17          department for achieving American Correctional Association standards within five  
18          (5) years, which is appropriate for the specific type of adult correctional facility;

19          (2) The provisions of KRS Chapter 45A shall apply to any contract or any proposal for  
20          a contract authorized by KRS 197.505 to 197.525 for an adult correctional facility;

21          (3) The adult correctional facility shall prepare an annual written budget of anticipated  
22          revenues and expenditures which is approved by the appropriate governing  
23          authority. The facility shall have written policies which govern revisions in the  
24          budget. The facility shall have a fiscal system which accounts for all income and  
25          expenditures on an on-going basis;

26          (4) The adult correctional facility shall prepare and distribute to its governing authority  
27          and appropriate agencies including the department, at a minimum, the following

- 1 documents: annual budget income and expenditure statements; funding source  
2 financial reports; and annual independent audit report;
- 3 (5) The adult correctional facility shall have written fiscal policies and procedures  
4 adopted by the governing authority which include, at a minimum, internal controls,  
5 petty cash, bonding, signature control on checks, resident funds, and employee  
6 expense reimbursement;
- 7 (6) There shall be an annual independent audit of the adult correctional facility. The  
8 facility shall have a written policy for inventory control of all property and assets  
9 and for purchasing and requisitioning supplies and equipment. The facility shall use  
10 a method which documents and authorizes wage payment to employees and  
11 consultants;
- 12 (7) The private provider shall develop and implement a plan for the dissemination of  
13 information about the adult correctional facility to the public, government agencies,  
14 and the media. The plan shall be made available to all persons. All documents and  
15 records, except financial records, maintained by the private provider shall be  
16 deemed public records as defined by KRS 61.870 and be subject to the provisions  
17 of KRS 61.872 to 61.884;
- 18 (8) The adult correctional facility shall conform to all applicable zoning ordinances and  
19 all applicable state and local building codes, including the Kentucky Building Code,  
20 1983 edition and subsequent modifications or replacements thereto;
- 21 (9) The adult correctional facility shall comply with all applicable laws and regulations  
22 of the local and state government regarding sanitation, food service, safety, and  
23 health. Copies of inspections completed by the appropriate authorities shall be sent  
24 to the department;
- 25 (10) The adult correctional facility shall comply with the provisions of the Life Safety  
26 Code, 1983 edition, National Fire Protection Association 101 and the regulations of  
27 the state or the local fire safety authority, whichever has primary jurisdiction over

- 1 the adult correctional facility. Copies of the inspections completed by the  
2 appropriate authorities shall be sent to the department;
- 3 (11) A minimum of sixty (60) square feet of floor space per resident shall be provided in  
4 the living area of the adult correctional facility. Other areas to be provided shall  
5 include space and furnishings to accommodate group meetings of the residents,  
6 private counseling space with adequate furniture, and a visiting area;
- 7 (12) The adult correctional facility shall provide a variety of indoor and outdoor  
8 recreational and leisure time activities to include but not be limited to television,  
9 radio, library materials, and recreational facilities. Telephone facilities shall be  
10 available on the premises which are accessible to residents;
- 11 (13) The adult correctional facility shall provide a level and quality of programs at least  
12 equal to those provided by state-operated facilities that house similar types of  
13 inmates and at a cost that provides the state with a savings of not less than ten  
14 percent (10%) of the cost of housing inmates in similar facilities and providing  
15 similar programs to those types of inmates in state-operated facilities;
- 16 (14) The adult correctional facility shall be staffed twenty-four (24) hours per day seven  
17 (7) days per week. The staffing pattern shall be adequate to insure close inmate  
18 surveillance and maintenance of security within the facility. The staffing pattern  
19 shall address the program, transportation, and security needs of the facility. In  
20 determining security need, the proximity of the facility to neighborhood and schools  
21 shall be considered;
- 22 (15) The adult correctional facility shall have a written personnel policy and employees  
23 shall be given a copy. The personnel policies shall include, at a minimum:
- 24 (a) Organization chart;
- 25 (b) Employment practices and procedures including in-service training and staff  
26 developing;
- 27 (c) Promotions;

- 1 (d) Job qualifications and job descriptions;
- 2 (e) Grievance and appeal procedures;
- 3 (f) Employee evaluation;
- 4 (g) Personnel records;
- 5 (h) Benefits;
- 6 (i) Holidays;
- 7 (j) Leave;
- 8 (k) Hours of work;
- 9 (l) Salaries or the base for determining salaries;
- 10 (m) Disciplinary procedures;
- 11 (n) Termination; and
- 12 (o) Resignation;
- 13 (16) The adult correctional facility shall maintain written job descriptions and job  
14 qualifications for all positions in the facility, including job title, responsibilities of  
15 the positions, and required minimum experience and education. An affirmative  
16 action program shall be adopted by the governing authority. The correctional facility  
17 shall maintain a current, accurate, and confidential personnel record on each  
18 employee. The facility shall have written policy and procedures requiring an annual  
19 performance evaluation of all employees. This evaluation shall be reviewed and  
20 discussed with the employee;
- 21 (17) Prior to employment, all employees of the adult correctional facility shall be subject  
22 to thorough background investigation to include criminal, medical, and employment  
23 history. All security employees of the facility shall be at least eighteen (18) years of  
24 age. The facility shall provide initial orientation for all new employees during the  
25 first week of employment. The facility shall comply with all governmental  
26 regulatory requirements related to employment and personnel practices. Personnel  
27 selection and assignments shall be based on merit;

- 1 (18) The administrator of the adult correctional facility shall have a minimum of five (5)  
2 years' experience in corrections or law enforcement and five (5) years' experience in  
3 administration. The remaining staff of the facility shall have the same qualifications  
4 and training as the staff employed in similar positions in adult correctional facilities  
5 operated by the department;
- 6 (19) The adult correctional facility shall provide the following services and programs,  
7 the extent to which shall be set forth in the contract between the state and the  
8 private provider but shall be consistent with the standards of the American  
9 Correctional Association:
- 10 (a) Health and medical services;
  - 11 (b) Food services;
  - 12 (c) Mail, telephone use, and visitation;
  - 13 (d) Access to legal services and legal materials;
  - 14 (e) Vocational training;
  - 15 (f) Educational programs;
  - 16 (g) Counseling services including personal counseling;
  - 17 (h) Drug and alcohol counseling; and
  - 18 (i) Sanitation services;
- 19 (20) The adult correctional facility shall have a written fire and emergency plan for the  
20 facility which shall be communicated to all employees and inmates and updated, if  
21 needed. The facility's written emergency plan shall be conspicuously posted in the  
22 facility. The facility staff shall document the conduct of quarterly emergency drills;
- 23 (21) The adult correctional facility shall have a written policy restricting the use of  
24 physical force to instances of justifiable self-protection, prevention of property  
25 damage, and prevention of escapes, and only to the degree necessary. In compliance  
26 with applicable laws, the facility shall maintain and make public, written policies  
27 and procedures for conducting searches of residents and all areas of the facility, to

1 control contraband and locate missing or stolen property. The facility shall have a  
2 written plan to control movement in and out of the facility. The facility shall have  
3 written procedures to account for the whereabouts of the residents at all times;

4 (22) The adult correctional facility shall establish a procedure for inspecting all facility  
5 areas accessible to inmates for contraband and physical security at least weekly.  
6 Isolated security spot-checks shall be conducted daily. Items considered as  
7 contraband or items permitted in the facility shall be clearly defined in the facility's  
8 rules;

9 (23) The adult correctional facility shall report all suspected felonies to the Department  
10 of Kentucky State Police for investigation. A written report shall be made of all  
11 extraordinary or unusual occurrences within twenty-four (24) hours of the  
12 occurrence. This report shall be placed in the inmate's folder and a copy forwarded  
13 to the department. All these occurrences shall be promptly reported to the  
14 department verbally prior to submission of the written report. Extraordinary or  
15 unusual occurrences shall include but not be limited to:

- 16 (a) Death of a resident;
- 17 (b) Attempted suicide or suicide;
- 18 (c) Serious injury, whether accidental or self-inflicted;
- 19 (d) Attempted escape or escape from confinement;
- 20 (e) Fire;
- 21 (f) Riot;
- 22 (g) Battery, whether by a staff member or resident;
- 23 (h) Sexual assaults; and
- 24 (i) Occurrence of contagious or infectious disease or illness within the facility;

25 (24) Each adult correctional facility shall have written policy and procedures for  
26 emergency situations including but not limited to:

- 27 (a) Escapes;

- 1 (b) Taking of hostages;
- 2 (c) Riots;
- 3 (d) Food poisoning;
- 4 (e) Civil disturbances in the community;
- 5 (f) Natural disaster;
- 6 (g) Suicides; and
- 7 (h) Other deaths and disorder;
- 8 (25) The adult correctional facility shall adopt a written policy and procedures which
- 9 shall insure that the constitutional rights of inmates to voluntarily practice their own
- 10 religious activities are protected, subject only to those limitations necessary to
- 11 maintain order and security of the facility;
- 12 (26) The adult correctional facility shall adopt a written policy which shall be
- 13 implemented to insure that no inmate or group of inmates is in a position of control
- 14 or authority over other inmates;
- 15 (27) The adult correctional facility shall have a policy and procedure for recommending
- 16 awarding of meritorious good time for inmates in accordance with policies and
- 17 procedures of the department. The procedures shall include formation of a
- 18 committee to include an administrator to screen all recommendations. The
- 19 recommendations shall be sent to the department. Recommendations for restoration
- 20 of good time shall be screened by the same committee and forwarded to the
- 21 department;
- 22 (28) If the adult correctional facility operates a canteen, all profits shall be spent for
- 23 recreational programs for inmates. Prices shall be in accordance with those
- 24 established by the Department of Corrections Inmate Canteen Board;
- 25 (29) The department shall have the authority to conduct periodic, scheduled, and
- 26 unannounced inspections of the adult correctional facility during the term of the
- 27 contract. The department shall generally observe and monitor the operations of the

- 1 adult correctional facility at least once per week;
- 2 (30) The contract shall provide a hold harmless clause by which the private provider  
3 agrees to indemnify, defend, and hold harmless the Commonwealth, its officers,  
4 agents, and employees from:
- 5 (a) Any claims or losses for service rendered by the private provider, person, or  
6 firm performing or supplying services in connection with performance of the  
7 contract;
- 8 (b) Any claims or losses to any person or firm injured or damaged by the  
9 erroneous or negligent acts of the private provider, its officers, or employees  
10 in the performance of the contract;
- 11 (c) Any claims or losses resulting to any person or firm injured or damaged by the  
12 private provider, its officers, or employees by the publication, translation,  
13 reproduction, delivery, performance, use, or disposition of any data processed  
14 under the contract in a manner not authorized by the contract, or by federal or  
15 Commonwealth regulations or statutes; and
- 16 (d) Any failure of the private provider, its officers, or employees to observe  
17 Kentucky laws, including but not limited to labor laws and minimum wage  
18 laws;
- 19 (31) The contract shall require that the private provider give a performance bond to the  
20 Commonwealth as obligee, in form satisfactory to the Commonwealth, executed by  
21 a surety company authorized to do business in Kentucky and in the penal sum equal  
22 to: twenty percent (20%) multiplied by the maximum number of inmates to be  
23 housed in the adult correctional facility multiplied by three hundred sixty-five (365)  
24 and further multiplied by the rate to be paid the private provider per inmate per day;
- 25 (32) The private provider shall provide public liability, property damage, and workers'  
26 compensation insurance, insuring, as they may appear, the interest of all parties of  
27 agreement against any and all claims which may arise out of the private provider's

1 operations under the terms of this contract. If any carrier of the insurance exercises  
2 cancellation, notice shall be made immediately to the Commonwealth of the  
3 cancellation; and

4 (33) As set forth within the contract between the Department of Corrections and the  
5 private provider:

6 (a) Failure of the private provider to provide the required services, products, or  
7 facilities shall entitle the department to withhold from the contract an amount  
8 up to two (2) times the estimated value per day per inmate for the service,  
9 product, or facility during the entire length of time which the failure to  
10 provide exists;

11 (b) The department shall in writing notify the provider of any failure to provide  
12 services, products, or facilities as required. A copy of the written notice shall  
13 be sent to the Finance and Administration Cabinet. The private provider shall  
14 have fourteen (14) calendar days from its receipt of the notice to abate the  
15 failure to provide and to notify the department of the corrective action taken  
16 by the private provider;

17 (c) In the event the department determines that the failure to provide has not been  
18 abated within fourteen (14) calendar days after the initial notice, the  
19 commissioner of the Department of Corrections shall hold, or assign the  
20 matter to a hearing officer for, a hearing and issue findings of fact,  
21 conclusions of law, and a recommended order;

22 (d) Failure to provide services, products, or facilities as required in this agreement  
23 shall result in an order to withhold from the contract an amount up to two (2)  
24 times the estimated value, as determined after a hearing, per day per inmate  
25 for the service, product, or facility during the entire length of time which the  
26 failure to provide exists;

27 (e) The withholding shall continue until such time as the failure to provide is

1 corrected in the manner stated in the order;

2 (f) The department and private provider shall in good faith negotiate the actual  
3 fair value of the omitted service, product, or facility which shall be subtracted  
4 from the amount withheld. The balance of the withholding, if any, shall be  
5 promptly returned to the private provider upon final agreement of the  
6 department and private provider. Additional withholding from the contract  
7 shall be made by the department if an additional amount is due; and

8 (g) The provider may appeal, within thirty (30) days, any order of the department  
9 to the Franklin Circuit Court or the Circuit Court of any county where a  
10 facility governed by this section and operated by the provider is located.

11 ➔Section 105. KRS 197.530 is amended to read as follows:

12 (1) As set forth within the contract between the Department of Corrections and the  
13 private provider: The department may recommend to the secretary of the Finance  
14 and Administration Cabinet the assessment of an administrative fine against the  
15 private provider of not more than five thousand dollars (\$5,000) for the violation of  
16 each and any term of the contract, or of KRS 197.510. Recommendation of fine or  
17 penalty assessment by the department shall occur only after a notice of intent to do  
18 so has been presented by registered mail to the private provider. The notice of intent  
19 shall incorporate the findings of the department and other agencies, if appropriate.

20 (2) The private provider may, within seventy-two (72) hours of the receipt of the notice  
21 of intent, request in writing a hearing before an objective hearing officer of the  
22 Attorney General's Office. The secretary of the Finance and Administration Cabinet  
23 shall by order issue, modify, or repeal the recommended fine or penalty. The  
24 amount of any fine or penalty shall be consistent with the hearing officer's  
25 recommendations resulting from the administrative hearing. The private provider  
26 may, at its discretion, waive its right to an administrative hearing.

27 (3) Appeals from any fine or penalty assessed pursuant to this section shall be granted

1 as a matter of right, and shall be taken to the Franklin Circuit Court **or the Circuit**  
2 **Court of any county where the subject facility is located** within thirty (30) days  
3 from the date the fine or penalty is issued by the secretary of the Finance and  
4 Administration Cabinet.

5 ➔Section 106. KRS 205.793 is amended to read as follows:

- 6 (1) The cabinet shall have authority to issue an administrative subpoena commanding  
7 information and records relating to the establishment, enforcement, and collection  
8 of child support.
- 9 (2) All public and private entities including financial institutions shall comply with a  
10 subpoena issued under this section within a reasonable time period. Financial  
11 institutions may deduct twenty dollars (\$20) from the account on which the  
12 subpoenaed information has been issued.
- 13 (3) The cabinet may enforce compliance by filing an action in the ~~Franklin~~ Circuit  
14 Court **of the county where the entity has its principal place of business.**
- 15 (4) The subpoena shall be issued by a person designated by the secretary.

16 ➔Section 107. KRS 210.720 is amended to read as follows:

- 17 (1) Every patient admitted to a facility operated or utilized by the cabinet, except  
18 prisoners transferred pursuant to KRS 202A.201, shall be charged for their board,  
19 maintenance and treatment pursuant to this section and the cabinet may sue in the ~~Franklin~~  
20 ~~Franklin~~ Circuit Court or ~~Franklin~~ District Court **of the county where the patient**  
21 **resides** to recover from the patient or person responsible for the patient for liability  
22 as established by this section.
- 23 (2) The secretary shall fix the patient cost per day for board, maintenance and treatment  
24 for each facility operated by the cabinet at frequent intervals which shall be the  
25 uniform charge for all persons receiving such services.
- 26 (3) The liability of any patient, or person responsible for the patient, for payment of the  
27 charge for board, maintenance and treatment shall be based upon ability to pay by

1       ascertaining the entire financial resources available to the patient, or to the person  
2       responsible for the patient, and shall include, but shall not be limited to: insurance,  
3       all third party coverage including Medicare and Medicaid and other governmental  
4       programs, cash, stocks, bonds, and all other property owned by the patient or  
5       controlled by the person responsible for the patient. The secretary shall establish a  
6       reasonable means test for determining payment liability of patients and persons  
7       responsible for patients. In no event shall liability be in excess of the cost per  
8       patient per day established by the secretary.

- 9       (4) Nothing in KRS 210.710 to 210.760 shall be construed to limit any liability of  
10       insurance companies or other third party payors including Medicare and Medicaid  
11       and other governmental programs.

12       ➔Section 108. KRS 211.935 is amended to read as follows:

- 13       (1) If, upon the inspection of a state confinement facility, the cabinet finds that a  
14       condition exists which endangers the health of those confined or likely to be  
15       confined in the facility, or the public health of the citizens of the Commonwealth of  
16       Kentucky, the cabinet shall advise the supervising and maintaining authorities, and  
17       shall enter the appropriate order to correct that condition. The supervision and  
18       maintenance authorities shall insure that those persons confined in a facility are  
19       notified of the findings.

- 20       (2) In addition to the penalties provided by KRS 211.990(2), the cabinet may institute  
21       injunctive proceedings in ~~the~~Franklin Circuit Court **of any county where the**  
22       **facility is located** to enforce any order given pursuant to subsection (1) of this  
23       section, and for which appropriate corrective action has not been taken.

24       ➔Section 109. KRS 216.567 is amended to read as follows:

- 25       (1) The manner in which appeals are presented from any decision on ratings, citations,  
26       or penalties pursuant to KRS 216.537 to 216.590 shall be in accordance with KRS  
27       Chapter 13B.

1 (2) The secretary shall appoint one (1) or more impartial hearing officers to hear and  
2 decide upon appealed decisions. The decision of the hearing officer shall be the  
3 final order of the cabinet.

4 (3) Any party aggrieved by a final order may seek judicial review by filing a petition in  
5 the Franklin Circuit Court or the Circuit Court of any county where the aggrieved  
6 party resides in accordance with KRS 13B.140 and 13B.150.

7 →Section 110. KRS 216A.140 is amended to read as follows:

8 Persons aggrieved by orders of the board may appeal therefrom to the Franklin Circuit  
9 Court or the Circuit Court of the county where the person resides and thence to the  
10 Court of Appeals in the manner provided by law.

11 →Section 111. KRS 216B.050 is amended to read as follows:

12 The cabinet may compel obedience to its lawful orders by mandamus, injunction, or other  
13 proper proceedings in the Franklin Circuit Court or the Circuit Court of the county  
14 where the person resides or any other Circuit Court of competent jurisdiction. Every  
15 order entered by the cabinet shall continue in force until the expiration of the time, if any,  
16 named by the cabinet in the order, or until revoked or modified.

17 →Section 112. KRS 216B.115 is amended to read as follows:

18 (1) An appeal to ~~any~~any~~the Franklin~~ Circuit Court of competent jurisdiction may be  
19 taken from any final decision of the cabinet with respect to a certificate-of-need  
20 application, a certificate of need, or a license, by any party to the proceedings.

21 (2) An appeal may be taken by filing a petition for review in the ~~Franklin~~ Circuit  
22 Court within thirty (30) days after notice of the final decision unless a request for  
23 reconsideration has been filed, in which case the petition shall be filed within fifteen  
24 (15) days of the cabinet's decision not to reconsider or notice of its decision on  
25 reconsideration. The petition shall state completely the grounds upon which the  
26 review is sought and shall assign all errors relied upon. The petitioner shall serve a  
27 copy of the petition to each person who was a party to the proceedings. Summons

1 shall be issued upon the petition directing the adverse party or parties to file an  
2 answer within twenty (20) days after service of summons. The cabinet shall, upon  
3 being served with the summons and within thirty (30) days thereafter, file a copy of  
4 the record, duly certified by the secretary, the cost of the record to be taxed as costs  
5 upon appeal. In lieu of filing of the record, an abstract thereof may be filed if all  
6 parties to the appeal agree.

7 ➔Section 113. KRS 216B.125 is amended to read as follows:

8 If the cabinet fails to issue or deny a certificate of need or an exemption pursuant to this  
9 chapter within the time prescribed under this chapter or administrative regulations  
10 promulgated by the cabinet, the applicant may seek judicial enforcement of this chapter  
11 by filing a civil action in any~~Franklin~~ Circuit Court **of competent jurisdiction.**

12 ➔Section 114. KRS 217.572 is amended to read as follows:

13 (1) Upon certification pursuant to Section 24(c) of FIFRA by the administrator of EPA  
14 to register pesticides formulated to meet special local needs, the department shall  
15 consider the following for refusal to register, for cancellation, for suspension and  
16 for legal recourse for applicable pesticides:

17 (a) If it does not appear to the department that the pesticide is such as to warrant  
18 the proposed claims for it or if the pesticide and its labeling and other material  
19 required to be submitted do not comply with the provisions of KRS 217.542  
20 to 217.630 or administrative regulations promulgated thereunder, the  
21 department shall notify the applicant of the manner in which the pesticide,  
22 labeling, or other material required to be submitted fails to comply with the  
23 provisions of KRS 217.542 to 217.630 so as to afford the applicant an  
24 opportunity to make the necessary corrections. If, upon receipt of this notice,  
25 the applicant does not make the required changes, the department may refuse  
26 to register the pesticide.

27 (b) When the department determines that a pesticide or its labeling does not

1           comply with the provisions of KRS 217.542 to 217.630 or the administrative  
2           regulations promulgated thereunder, the registration of a pesticide may be  
3           cancelled after a hearing that shall be conducted in accordance with KRS  
4           Chapter 13B.

5           (c) When the department determines that there is an imminent hazard, it may  
6           suspend the registration of a pesticide by issuing an emergency order pursuant  
7           to KRS 13B.125.

8           (d) Any person who will be adversely affected by a final order or emergency order  
9           issued under this section may obtain judicial review by filing a petition in the  
10          Franklin Circuit Court or the Circuit Court of the county where the person  
11          resides in accordance with KRS Chapter 13B.

12       (2) If the department determines that the federally-registered pesticide with respect to  
13       the use of a pesticide subject to this section within this state does not warrant the  
14       proposed claims for it, or if the pesticide and its labeling and other material required  
15       to be submitted do not comply with the provisions of FIFRA or the regulations  
16       promulgated thereunder, EPA shall be notified of the manner in which the pesticide,  
17       labeling, or other material required to be submitted fail to comply with the  
18       provisions of FIFRA and suggest necessary corrections.

19       ➔Section 115. KRS 217.821 is amended to read as follows:

20       Any person or party in interest aggrieved by the publication of the nonequivalent drug  
21       product formulary of the Board of Pharmacy shall be entitled to a judicial review in  
22       ~~the~~[Franklin County] Circuit Court of the county where the person resides or where the  
23       party conducts business.

24       ➔Section 116. KRS 217B.200 is amended to read as follows:

25       Any person aggrieved by any action of the department may obtain a review thereof by  
26       filing in the Franklin Circuit Court or the Circuit Court of the county where the person  
27       resides within thirty (30) days of notice of the action a written petition praying that the

1 action of the department be set aside. A copy of such petition shall forthwith be delivered  
2 to the department, and within sixty (60) days thereafter the department shall certify and  
3 file in the court a transcript of any record pertaining thereto, including a transcript of  
4 evidence received, whereupon the court shall have jurisdiction to affirm, set aside or  
5 modify the action of the department, except that the findings of the department as to the  
6 facts, if supported by substantial evidence, shall be conclusive.

7 ➔Section 117. KRS 217B.203 is amended to read as follows:

- 8 (1) All hearings required by KRS 217B.010 to 217B.990 shall be conducted in  
9 accordance with KRS Chapter 13B.
- 10 (2) Appeals may be taken from all final orders of the Commissioner to any~~the~~  
11 ~~Franklin~~ Circuit Court of competent jurisdiction in accordance with KRS Chapter  
12 13B.

13 ➔Section 118. KRS 222.231 is amended to read as follows:

- 14 (1) The cabinet shall issue for a term of one (1) year, and may renew for like terms, a  
15 license, subject to revocation by it for cause, to any persons, other than an alcohol  
16 and other drug abuse program that has been issued a license by the cabinet entitled  
17 "Chemical Dependency Treatment Services" pursuant to KRS 216B.105 or a  
18 department, agency, or institution of the federal government, deemed by it to be  
19 responsible and suitable to establish and maintain a program and to meet applicable  
20 licensure standards and requirements.
- 21 (2) The cabinet shall promulgate administrative regulations pursuant to KRS Chapter  
22 13A establishing requirements and standards for licensing agencies and approving  
23 programs. The requirements and standards shall include:
- 24 (a) The health and safety standards to be met by a facility housing a program;
- 25 (b) Patient care standards and minimum operating, training, and maintenance of  
26 patient records standards;
- 27 (c) Licensing fees, application, renewal and revocation procedures, and the

- 1           procedures for evaluation of the alcohol and other drug abuse programs; and
- 2           (d) Classification of alcohol and other drug abuse programs according to type,
- 3           range of services, and level of care provided.
- 4           (3) The cabinet may establish different requirements and standards for different kinds
- 5           of programs, and may impose stricter requirements and standards in contracts with
- 6           agencies made pursuant to KRS 222.221.
- 7           (4) Each agency shall be individually licensed or approved.
- 8           (5) Each agency shall file with the cabinet from time to time, the data, statistics,
- 9           schedules, or information the cabinet may reasonably require for the purposes of
- 10          this section.
- 11          (6) The cabinet shall have authority to deny, revoke, modify, or suspend a license in
- 12          any case in which it finds that there has been a substantial failure to comply with the
- 13          provisions of this chapter or the administrative regulations promulgated thereunder.
- 14          The denial, revocation, modification, or suspension shall be effected by mailing to
- 15          the applicant or licensee, by certified mail, a notice setting forth the particular
- 16          reasons for the action. The denial, revocation, modification, or suspension shall
- 17          become final and conclusive thirty (30) days after notice is given, unless the
- 18          applicant or licensee, within this thirty (30) day period, shall file a request in writing
- 19          for a hearing before the cabinet.
- 20          (7) The cabinet, after holding a hearing conducted by a hearing officer appointed by the
- 21          secretary and conducted in accordance with KRS Chapter 13B, may refuse to grant,
- 22          suspend, revoke, limit, or restrict the applicability of or refuse to renew any agency
- 23          license or approval of programs for any failure to meet the requirements of its
- 24          administrative regulations or standards concerning a licensed agency and its
- 25          program. A petition for judicial review shall be made to the Franklin Circuit Court
- 26          or the Circuit Court of any county where the program is located in accordance
- 27          with KRS Chapter 13B.

- 1 (8) No person, excepting an alcohol and other drug abuse program that has been issued  
2 a license by the cabinet entitled "Chemical Dependency Treatment Services"  
3 pursuant to KRS 216B.105 or a department, agency, or institution of the federal  
4 government, shall operate a program without a license pursuant to this section.
- 5 (9) Each program operated by a licensed agency shall be subject to visitation and  
6 inspection by the cabinet and the cabinet shall inspect each agency prior to granting  
7 or renewing a license. The cabinet may examine the books and accounts of any  
8 program if it deems the examination necessary for the purposes of this section.
- 9 (10) The director may require agencies which contract with the Commonwealth pursuant  
10 to KRS 222.221 to admit as an inpatient or outpatient any person to be afforded  
11 treatment pursuant to this chapter, subject to service and bed availability and  
12 medical necessity.
- 13 (11) The cabinet shall promulgate administrative regulations pursuant to KRS Chapter  
14 13A governing the extent to which programs may be required to treat any person on  
15 an inpatient or outpatient basis pursuant to this chapter, except that no licensed  
16 hospital with an emergency service shall refuse any person suffering from acute  
17 alcohol or other drug intoxication or severe withdrawal syndrome from emergency  
18 medical care.
- 19 (12) All narcotic treatment programs shall be licensed under this section prior to  
20 operation. The cabinet shall promulgate administrative regulations pursuant to KRS  
21 Chapter 13A to establish additional standards of operation for narcotic treatment  
22 programs. The administrative regulations shall include minimum requirements in  
23 the following areas:
- 24 (a) Compliance with relevant local ordinances and zoning requirements;
- 25 (b) Submission of a plan of operation, including memoranda of agreement which  
26 reflect supportive services from local hospitals, law enforcement agencies,  
27 correctional facilities, community agencies for mental health or individuals

1 with an intellectual disability, and other alcohol and drug abuse services in the  
2 community;

3 (c) Criminal records checks for employees of the narcotic treatment program.  
4 Narcotic treatment programs shall not employ any person convicted of a crime  
5 involving a controlled substance as defined in KRS Chapter 218A;

6 (d) Conditions under which clients are permitted to take home doses of  
7 medications;

8 (e) Urine screening requirements;

9 (f) Quality assurance procedures;

10 (g) Program sponsor requirements;

11 (h) Qualifications for the medical director for a narcotic treatment program, who  
12 at a minimum shall:

13 1. Be a licensed physician pursuant to KRS Chapter 311 and function  
14 autonomously within the narcotic treatment program; and

15 2. Be a board eligible psychiatrist licensed to practice in Kentucky and  
16 have three (3) years' documented experience in the provision of services  
17 to persons who are addicted to alcohol or other drugs; or

18 3. Be a physician licensed pursuant to KRS Chapter 311 and certified as an  
19 addictionologist by the American Society of Addiction Medicine.

20 (i) Security and control of narcotics and medications;

21 (j) Program admissions standards;

22 (k) Treatment protocols;

23 (l) Treatment compliance requirements for program clients;

24 (m) Rights of clients; and

25 (n) Monitoring of narcotic treatment programs by the cabinet.

26 ➔Section 119. KRS 224.10-470 is amended to read as follows:

27 (1) Appeals may be taken from all final orders of the Energy and Environment Cabinet.

1 Except as provided in subsection (3) of this section, the appeal shall be taken to the  
2 Franklin Circuit Court or the Circuit Court of the county where the case or  
3 controversy arose within thirty (30) days from entry of the final order. The party or  
4 parties affected by the final order shall file in the Circuit Court a petition which  
5 states fully the grounds upon which a review is sought and assign all errors relied  
6 on. The cabinet shall be named respondent, and service shall be had on the  
7 secretary. Summons shall issue upon the petition directing the cabinet to send its  
8 entire record, properly bound, to the clerk of the Circuit Court after certifying that  
9 such record is its entire original record or a true copy thereof, which shall be filed  
10 by the clerk of the Circuit Court and such record shall then become official and be  
11 considered by the Circuit Court on the review. After the case has been properly  
12 docketed in the Circuit Court, any party directly affected by the issues on appeal,  
13 may, upon notice to the parties and upon proper showing and in the discretion of the  
14 court be permitted to intervene. Upon hearing of the appeal the findings of the  
15 cabinet shall be prima facie evidence of the facts found therein. The court shall  
16 review the entire record and the findings and final order of the cabinet.

17 (2) Appeals to the Court of Appeals from orders of the Circuit Court, shall be taken in  
18 the manner provided in the Kentucky Rules of Civil Procedure.

19 (3) Final orders of the cabinet regarding environmental permits for an industrial energy  
20 facility as defined in KRS 224.1-010 shall be subject to expedited review by the  
21 Circuit Court located in the county where the industrial energy facility is proposed  
22 to be located.

23 ➔Section 120. KRS 224.80-180 is amended to read as follows:

24 (1) An environmental covenant shall be perpetual except under the following  
25 circumstances:

26 (a) By its terms, the environmental covenant is limited to a specific duration or is  
27 terminated by the occurrence of a specific event;

- 1 (b) The environmental covenant is terminated pursuant to KRS 224.80-190;
- 2 (c) The environmental covenant is terminated by foreclosure of an interest that  
3 has priority over the environmental covenant; or
- 4 (d) The environmental covenant is terminated or modified in an eminent domain  
5 proceeding and the following conditions exist:
- 6 1. The cabinet is a party to the eminent domain proceeding;
- 7 2. All persons identified in KRS 224.80-190(1) and (2) are given notice of  
8 the pendency of the eminent domain proceeding; and
- 9 3. A court of competent jurisdiction determines, after hearing, that the  
10 termination or modification of the environmental covenant will not  
11 adversely affect human health or the environment.
- 12 (2) If the cabinet or if any holder determines that the intended benefits of an  
13 environmental covenant can no longer be realized, the Franklin Circuit Court or the  
14 Circuit Court of any county where the covenant is filed, under the doctrine of  
15 changed circumstances, in an action in which all persons identified in KRS 224.80-  
16 190(1) and (2) have been given notice, may terminate the environmental covenant  
17 or reduce its burden on the real property subject to the environmental covenant.
- 18 (3) Except as otherwise provided in subsections (1) and (2) of this section, an  
19 environmental covenant may not be extinguished, limited, or impaired through the  
20 issuance of a tax deed, foreclosure of a tax lien, or application of the doctrine of  
21 adverse possession, prescription, abandonment, waiver, lack of enforcement,  
22 acquiescence, or a similar doctrine.
- 23 ➔Section 121. KRS 224.99-010 is amended to read as follows:
- 24 (1) Any person who violates KRS 224.10-110(2) or (3), 224.70-110, 224.73-120,  
25 224.20-050, 224.20-110, 224.46-580, 224.1-400, or who fails to perform any duties  
26 imposed by these sections, or who violates any determination, permit,  
27 administrative regulation, or order of the cabinet promulgated pursuant thereto shall

1 be liable for a civil penalty not to exceed the sum of twenty-five thousand dollars  
2 (\$25,000) for each day during which such violation continues, and in addition, may  
3 be concurrently enjoined from any violations as hereinafter provided in this section  
4 and KRS 224.99-020.

5 (2) Any person who violates KRS 224.10-110(4) or (5), or KRS 224.40-100, 224.40-  
6 305, or any provision of this chapter relating to noise, or who fails to perform any  
7 determination, permit, administrative regulation, or order of the cabinet  
8 promulgated pursuant thereto shall be liable for a civil penalty not to exceed the  
9 sum of five thousand dollars (\$5,000) for said violation and an additional civil  
10 penalty not to exceed five thousand dollars (\$5,000) for each day during which such  
11 violation continues, and in addition, may be concurrently enjoined from any  
12 violations as hereinafter provided in this section and KRS 224.99-020.

13 (3) (a) Any person who shall knowingly violate any of the provisions of this chapter  
14 relating to noise or any determination or order of the cabinet promulgated  
15 pursuant to those sections which have become final shall be guilty of a Class  
16 A misdemeanor. Each day upon which the violation occurs shall constitute a  
17 separate violation.

18 (b) For offenses by motor vehicles, a person shall be guilty of a violation.

19 (4) Any person who knowingly violates KRS 224.70-110, 224.73-120, 224.40-100,  
20 224.20-110, 224.20-050, 224.40-305, or 224.10-110(2) or (3), or any determination,  
21 permit, administrative regulation, or order of the cabinet promulgated pursuant to  
22 those sections which have become final, or who knowingly provides false  
23 information in any document filed or required to be maintained under this chapter,  
24 or who knowingly renders inaccurate any monitoring device or method, or who  
25 tampers with a water supply, water purification plant, or water distribution system  
26 so as to knowingly endanger human life, shall be guilty of a Class D felony, and  
27 upon conviction thereof, shall be punished by a fine not to exceed twenty-five

1 thousand dollars (\$25,000), or by imprisonment for a term of not less than one (1)  
2 year and not more than five (5) years, or by both fine and imprisonment, for each  
3 separate violation. Each day upon which a violation occurs shall constitute a  
4 separate violation.

5 (5) If any person engages in generation, treatment, storage, transportation, or disposal  
6 of hazardous waste in violation of the hazardous waste management provisions of  
7 this chapter or contrary to a permit, order, or rule issued or promulgated under this  
8 chapter, or fails to provide information or to meet reporting requirements required  
9 by terms and conditions of a permit or administrative regulations promulgated  
10 pursuant to this chapter, the secretary may issue an order requiring compliance  
11 within a specified time period or may commence a civil action in a court of  
12 appropriate jurisdiction. The violator shall be liable for a civil penalty not to exceed  
13 the sum of twenty-five thousand dollars (\$25,000) for each day during which the  
14 violation continues, and in addition, may be enjoined from any violations in a court  
15 of appropriate jurisdiction.

16 (6) Any person who knowingly is engaged in generation, treatment, storage,  
17 transportation, or disposal of hazardous waste in violation of this chapter or  
18 contrary to a permit, order, or administrative regulation issued or promulgated under  
19 this chapter, or knowingly makes a false statement, representation, or certification  
20 in an application for or form pertaining to a permit or in a notice or report required  
21 by the terms and conditions of an issued permit, shall be guilty of a Class D felony,  
22 and upon conviction thereof, shall be punished by a fine not to exceed twenty-five  
23 thousand dollars (\$25,000) for each day of violation, or by imprisonment for a term  
24 of not less than one (1) year and not more than five (5) years, or by both fine and  
25 imprisonment, for each separate violation. Each day upon which a violation occurs  
26 shall constitute a separate violation.

27 (7) Nothing contained in subsections (4) or (5) of this section shall abridge the right of

- 1 any person to recover actual compensatory damages resulting from any violation.
- 2 (8) Any person who violates any provision of this chapter to which no express penalty  
3 provision applies, except as provided in KRS 211.995, or who fails to perform any  
4 duties imposed by those sections, or who violates any determination or order of the  
5 cabinet promulgated pursuant thereto shall be liable for a civil penalty not to exceed  
6 the sum of one thousand dollars (\$1,000) for said violation and an additional civil  
7 penalty not to exceed one thousand dollars (\$1,000) for each day during which the  
8 violation continues, and in addition, may be concurrently enjoined from any  
9 violations as hereinafter provided in this section and KRS 224.99-020.
- 10 (9) ~~{The Franklin Circuit Court shall hold concurrent jurisdiction and venue of }~~All  
11 civil, criminal, and injunctive actions instituted by the cabinet or by the Attorney  
12 General on its behalf for the enforcement of the provisions of this chapter or the  
13 orders and administrative regulations of the cabinet promulgated pursuant thereto  
14 **shall be filed in the Circuit Court of any county in which a substantial part of the**  
15 **events giving rise to the action occurred.**
- 16 (10) Any person who deposits leaves, clippings, prunings, garden refuse, or household  
17 waste materials in any litter receptacle, except with permission of the owner of the  
18 receptacle, or who places litter into a receptacle in such a manner that the litter may  
19 be carried away or deposited by the elements upon any property or water not owned  
20 by him is guilty of a Class B misdemeanor.
- 21 (11) In addition to or in lieu of the penalties set forth in this section or in KRS Chapters  
22 532 and 534, any person found guilty of a second or subsequent offense related to  
23 littering may be ordered by the court to pick up litter for not less than four (4) hours.
- 24 (12) Any person who violates KRS 224.20-300, 224.20-310, any other provision of this  
25 chapter, or any determination, permit, administrative regulation, or order of the  
26 cabinet relating to the Asbestos Hazard Emergency Response Act of 1986  
27 (AHERA), Public Law 99-519, as amended, shall be liable to the Commonwealth of

1 Kentucky for a civil penalty in an amount not to exceed twenty-five thousand  
2 dollars (\$25,000) for each violation. Each day a violation continues shall, for  
3 purposes of this subsection, constitute a separate violation of provisions of this  
4 chapter relating to AHERA.

5 (13) A violation of KRS 224.50-413 shall be subject to a fifty dollar (\$50) fine for each  
6 day the violation continues.

7 (14) Any person who removes a methamphetamine contamination notice posted under  
8 KRS 224.1-410(9) contrary to the administrative regulations governing  
9 methamphetamine contamination notice removal shall be guilty of a Class A  
10 misdemeanor.

11 (15) Any person who leases, rents, or sells a property that has been determined to be  
12 contaminated property under KRS 224.1-410(4) to a lessee, renter, or buyer without  
13 giving written notice that the property is a contaminated property pursuant to KRS  
14 224.1-410(10) shall be guilty of a Class D felony.

15 ➔Section 122. KRS 227.640 is amended to read as follows:

16 (1) The department or its designee may deny the application for a license, certification,  
17 or certificate of acceptability within thirty (30) days after receipt thereof by written  
18 notice to the applicant, stating the grounds for the denial.

19 (2) No license, certification, or certificate of acceptability shall be suspended or  
20 revoked by the department unless the licensee or certificate holder is afforded the  
21 opportunity for a hearing to be conducted in accordance with KRS Chapter 13B.

22 (3) Any manufacturer, certified installer, or licensed retailer who violates or fails to  
23 comply with KRS 227.550 to 227.660 or any administrative regulations  
24 promulgated thereunder shall be notified in writing setting forth facts describing the  
25 alleged violation and instructed to correct the violation, if it is correctable, within  
26 twenty (20) days. If the manufacturer, certified installer, or retailer fails to make the  
27 necessary corrections within the specified time or if the violation is not correctable,

1 the department may, after notice and hearing in accordance with KRS Chapter 13B,  
2 suspend or revoke any certificate of acceptability, certification, or license if it finds  
3 that:

- 4 (a) The manufacturer, certified installer, or retailer has failed to pay the fees  
5 authorized by KRS 227.550 to 227.660;
- 6 (b) The manufacturer, certified installer, or retailer, either knowingly or without  
7 the exercise of due care to prevent the same, has violated any provision of  
8 KRS 227.550 to 227.660 or any administrative regulation or order lawfully  
9 made pursuant to and within the authority of KRS 227.550 to 227.660; or
- 10 (c) The manufacturer has shipped or imported into this state a manufactured  
11 home or mobile home to any person other than to a duly licensed retailer.
- 12 (4) The department shall establish, through the promulgation of administrative  
13 regulations in accordance with KRS Chapter 13A, a dispute resolution process  
14 which may be used prior to a formal hearing under KRS Chapter 13B. The dispute  
15 resolution process shall be nonbinding on the licensee, certified installer, or  
16 manufacturer and shall be conducted after application for a KRS Chapter 13B  
17 hearing, but prior to the convening of the KRS Chapter 13B hearing.
- 18 (5) Any person aggrieved by any final order of the department may appeal to the  
19 Franklin Circuit Court or the Circuit Court of the county where the person resides  
20 in accordance with KRS Chapter 13B.

21 ➔Section 123. KRS 227A.040 is amended to read as follows:

- 22 (1) The department shall administer and enforce KRS 227A.010 to 227A.140 and shall  
23 evaluate the qualifications of applicants for licensure.
- 24 (2) The department may issue subpoenas, examine witnesses, pay appropriate witness  
25 fees, administer oaths, and investigate allegations of practices violating KRS  
26 227A.010 to 227A.140 or the administrative regulations promulgated under KRS  
27 227A.010 to 227A.140 and KRS Chapter 13A.

- 1 (3) The department shall conduct hearings under KRS Chapter 13B and keep records  
2 and minutes necessary to carry out the functions of KRS 227A.010 to 227A.140.
- 3 (4) The department shall evaluate the qualifications of applicants and issue licenses to  
4 qualified candidates.
- 5 (5) The department shall renew licenses.
- 6 (6) The department may:
- 7 (a) Refuse to issue or renew a license;
- 8 (b) Suspend or revoke a license;
- 9 (c) Impose supervisory or probationary conditions upon a licensee;
- 10 (d) Impose administrative disciplinary fines;
- 11 (e) Issue written reprimands or admonishments; and
- 12 (f) Take any combination of the actions permitted in this subsection.
- 13 (7) The department may seek injunctive relief in the Circuit Court of ~~Franklin County,~~  
14 ~~in~~ the county in which the violation occurred, or in the county where the business  
15 of the accused is located to stop any unlawful practice in KRS 227A.010 to  
16 227A.140 and administrative regulations promulgated thereunder. The department  
17 may also seek injunctive relief for unlicensed persons who inappropriately use the  
18 title "electrical contractor," "electrician," or "master electrician."
- 19 (8) The department, with comments from the Housing, Buildings and Construction  
20 Advisory Committee if required by KRS 198B.030(8), may promulgate  
21 administrative regulations to create a code of ethics and procedures governing the  
22 licensure of electrical contractors, electricians, and master electricians.
- 23 (9) The department may enter into reciprocal agreements with other states having  
24 licensure, certification, or registration qualifications and requirements substantially  
25 equal to those of this state.

26 ➔Section 124. KRS 227A.120 is amended to read as follows:

27 Any party aggrieved by a disciplinary action of the department may bring an action in the

1 Circuit Court of Franklin County or the Circuit Court of the county where the person  
2 resides or has a principal place of business under the provisions of KRS Chapter 13B.

3 ➔Section 125. KRS 229.190 is amended to read as follows:

4 (1) Any action of the commission, including any action of a commission employee,  
5 taken under KRS 229.200 may be appealed, and upon appeal an administrative  
6 hearing shall be conducted in accordance with KRS Chapter 13B. The commission  
7 may provide for hearing officers or impanel not less than three (3) of its members to  
8 conduct hearings.

9 (2) Any party aggrieved by a final order of the commission may appeal to the Franklin  
10 Circuit Court or the Circuit Court of the county where the person resides in  
11 accordance with KRS Chapter 13B.

12 ➔Section 126. KRS 230.330 is amended to read as follows:

13 Any licensee or any applicant aggrieved by any final order of the racing commission may  
14 appeal to the Franklin Circuit Court or the Circuit Court of the county where the person  
15 resides in accordance with KRS Chapter 13B.

16 ➔Section 127. KRS 230.368 is amended to read as follows:

17 Any person dissatisfied with the decision of the racing commission under KRS 230.367  
18 may appeal to the Franklin Circuit Court or the Circuit Court of the county where the  
19 person resides in accordance with the provisions of KRS Chapter 13B.

20 ➔Section 128. KRS 234.302 is amended to read as follows:

21 When in the judgment of the council or an association certified under KRS 234.280, a  
22 person has engaged in or is about to engage in any acts or practices that constitute a  
23 violation of any of the provisions of KRS 234.270 to 234.302, the council or the certified  
24 association may make application to the Franklin Circuit Court or the Circuit Court of  
25 the county where the person resides for an order enjoining the act or acts or practices,  
26 and obtain a restraining order and preliminary injunction against the person.

27 ➔Section 129. KRS 236.150 is amended to read as follows:

1 (1) Any person aggrieved by an order or act of a boiler inspector, under this chapter,  
2 may, within fifteen (15) days of notice thereof, appeal from the order or act to the  
3 commissioner who shall schedule and conduct an administrative hearing in  
4 accordance with KRS Chapter 13B.

5 (2) Any person aggrieved by a final order of the commissioner may file a petition in the  
6 Franklin Circuit Court or the Circuit Court of the county where the person resides  
7 for judicial review in accordance with KRS Chapter 13B.

8 ➔Section 130. KRS 238.565 is amended to read as follows:

9 (1) A license holder may appeal any administrative action taken under KRS 238.560. A  
10 license holder shall be notified in writing of any action to be taken against him. The  
11 notification may be delivered in person or mailed by certified mail, return receipt  
12 requested, to the last known address of the license holder. Service of notification of  
13 administrative action, whether by hand delivery or by certified mail, shall be  
14 deemed complete if the license holder fails or refuses to accept delivery. For service  
15 by hand delivery, notification shall be deemed received upon acceptance of delivery  
16 or upon failure or refusal to accept delivery, and the person affecting service on  
17 behalf of the department shall record the fact of the failure or refusal. For service by  
18 certified mail, the notification of administrative action shall be deemed received  
19 when the license holder accepts delivery or fails or refuses to accept delivery at the  
20 last known address. The notification shall specify the charges against the license  
21 holder, specify the proposed administrative sanction, and advise him of his right to  
22 appeal the decision within ten (10) days of the date of receipt of the notification.

23 (2) Upon receipt of an appeal, the department shall schedule the matter for an  
24 administrative hearing that shall be conducted in accordance with KRS Chapter  
25 13B.

26 (3) Any provisions of KRS Chapter 13B notwithstanding, within twenty (20) days after  
27 the conclusion of a hearing, the hearing officer shall prepare and present to the

1 commissioner a recommended order based on findings of fact and conclusions of  
 2 law. Within thirty (30) days of receipt of the recommended order, the commissioner  
 3 shall affirm, reject, or modify, in whole or in part, the recommended order and shall  
 4 issue a final order. The final order shall be the final administrative action on the  
 5 matter and a copy of the final order shall be mailed to the license holder, by  
 6 certified mail, return receipt requested.

7 (4) Any administrative action taken under this section shall, upon appeal, be stayed  
 8 until a final order is issued, with the exception of a summary suspension. The  
 9 department may issue an emergency order pursuant to KRS 13B.125 to summarily  
 10 suspend a license upon finding that continued operation of the license holder  
 11 pending a hearing would constitute a threat to the public health, safety, or welfare.

12 (5) A final order of the commissioner may be appealed to the Franklin Circuit Court or  
 13 the Circuit Court of the county where the license holder operates in accordance  
 14 with KRS Chapter 13B. If the license holder against whom administrative action is  
 15 proposed does not request an appeal of the action, the department shall enter a final  
 16 order imposing the proposed administrative action.

17 ➔Section 131. KRS 243.675 is amended to read as follows:

18 The board may compel obedience to its lawful orders by injunction or other proper  
 19 proceedings in the~~Franklin~~ Circuit Court where the alleged violation occurred~~for any~~  
 20 ~~other court of competent jurisdiction~~, and the proceedings shall have priority over all  
 21 pending cases.

22 ➔Section 132. KRS 247.4483 is amended to read as follows:

23 Whenever in the judgment of the board or the certified commission, council, board,  
 24 association, or other agency of producers, a purchaser has engaged in or is about to  
 25 engage in any acts or practices that constitute a violation of any of the sections of KRS  
 26 247.4451 to 247.4483, the board or the certified commission, council, board, association,  
 27 or other agency of producers may make application to the~~Franklin~~ Circuit Court of any

1 **county where a violation occurred or is about to occur** for an order enjoining the act or  
2 acts or practices and obtain a restraining order and preliminary injunction against the  
3 purchaser.

4 ➔Section 133. KRS 247.505 is amended to read as follows:

5 Whenever in the judgment of the board or the certified commission, council, board,  
6 association or other agency of producers, a purchaser has engaged in or is about to engage  
7 in any acts or practices that constitute a violation of any of the sections of KRS 247.450  
8 to 247.505, the board or the certified commission, council, board, association or other  
9 agency of producers may make application to the ~~Franklin~~ Circuit Court **of any county**  
10 **where a violation occurred or is about to occur** for an order enjoining such act or acts or  
11 practices and obtain a restraining order and preliminary injunction against such purchaser.

12 ➔Section 134. KRS 247.595 is amended to read as follows:

13 Whenever in the judgment of the board or the duly certified association, a purchaser has  
14 engaged in or is about to engage in any acts or practices that constitute a violation of any  
15 of the provisions of KRS 247.510 to 247.585, the board or the duly certified association  
16 may make application to the ~~Franklin~~ Circuit Court **of any county where a violation**  
17 **occurred or is about to occur** for an order enjoining such act or acts or practices, and  
18 obtain a restraining order and preliminary injunction against such purchaser.

19 ➔Section 135. KRS 247.6035 is amended to read as follows:

20 When in the judgment of the board or the duly certified association, a purchaser has  
21 engaged in or is about to engage in any acts or practices that constitute a violation of any  
22 of the provisions of KRS 247.6001 to 247.6035, the board or the duly certified  
23 association may make application to the ~~Franklin~~ Circuit Court **of any county where a**  
24 **violation occurred or is about to occur** for an order enjoining the act or acts or practices,  
25 and obtain a restraining order and preliminary injunction against the purchaser.

26 ➔Section 136. KRS 247.685 is amended to read as follows:

27 Whenever in the judgment of the board or the duly certified association, an operator of a

1 livestock market, meat packing establishment, or slaughter establishment, or an order  
2 buyer has engaged in or is about to engage in any acts or practices that constitute a  
3 violation of any of the provisions of KRS 247.610 to 247.685, the board or the duly  
4 certified association may make application to the ~~Franklin~~ Circuit Court **of any county**  
5 **where a violation occurred or is about to occur** for an order enjoining such act, or acts,  
6 or practices and obtain a restraining order and preliminary injunction against such  
7 operator or order buyer.

8       ➔Section 137. KRS 247.6957 is amended to read as follows:

9 If, in the judgment of the board or the duly certified association, a purchaser has engaged  
10 in or is about to engage in any acts or practices that constitute a violation of any of the  
11 provisions of KRS 247.6901 to 247.6957, the board or the duly certified association may  
12 make application to the ~~Franklin~~ Circuit Court **of any county where a violation**  
13 **occurred or is about to occur** for an order enjoining the act or acts or practices, and  
14 obtain a restraining order and preliminary injunction against the purchaser.

15       ➔Section 138. KRS 247.785 is amended to read as follows:

16 Whenever in the judgment of the board or the duly certified association, an operator of a  
17 tobacco warehouse, tobacco manufacturing establishment, or tobacco dealer has engaged  
18 in or is about to engage in any acts or practices that constitute a violation of any of the  
19 provisions of KRS 247.710 to 247.785, the board or the duly certified association may  
20 make application to the ~~Franklin~~ Circuit Court **of any county where a violation**  
21 **occurred or is about to occur** for an order enjoining such act or practices and obtain a  
22 restraining order and preliminary injunction against the operator.

23       ➔Section 139. KRS 247.7928 is amended to read as follows:

24 If, in the judgment of the board or the duly certified association, an operator of a livestock  
25 market, meat packing establishment, or slaughter establishment has engaged in or is about  
26 to engage in any acts or practices that constitute a violation of any of the provisions of  
27 KRS 247.7900 to 247.7928, the board or the duly certified association may make

1 application to the ~~Franklin~~ Circuit Court **of any county where a violation occurred or**  
2 **is about to occur** for an order enjoining the act, or acts, or practices and obtain a  
3 restraining order and preliminary injunction against the operator.

4 →Section 140. KRS 247.865 is amended to read as follows:

5 Whenever in the judgment of the board or the duly certified association, a handler has  
6 engaged in or is about to engage in any acts or practices that constitute a violation of any  
7 of the provisions of KRS 247.850 to 247.864, the board or the duly certified association  
8 may make application to the ~~Franklin~~ Circuit Court **of any county where a violation**  
9 **occurred or is about to occur** for an order enjoining such act, or acts or practices and  
10 obtain a restraining order and preliminary injunction against the handler.

11 →Section 141. KRS 250.710 is amended to read as follows:

12 The Commissioner shall notify any applicant or owner by certified mail, return receipt  
13 requested of any decision to refuse to grant a registration or to revoke a registration  
14 within ten (10) days after the decision, and the applicant or owner shall have thirty (30)  
15 days after the notification within which to petition the Commissioner for a hearing to be  
16 conducted in accordance with KRS Chapter 13B. If the applicant or owner is aggrieved  
17 by the final order, the applicant or owner may appeal the final order to the Franklin  
18 Circuit Court **or the Circuit Court of any county where the applicant or owner resides**  
19 **or has its principal place of business** in accordance with KRS Chapter 13B. If the owner  
20 takes an appeal within the time herein provided, the revocation by the Commissioner  
21 shall not become final until finally adjudicated; however, the Commissioner may require  
22 the posting of a reasonable and appropriate bond pending final adjudication.

23 →Section 142. KRS 251.485 is amended to read as follows:

24 (1) A forward pricing (delayed pricing) contract means an executory contract which  
25 shall be in a form and contain terms the department shall adopt by administrative  
26 regulation pursuant to KRS 251.480. The forward pricing (delayed pricing) contract  
27 shall be executed by the licensed grain establishment and the producer, or by their

1 authorized representatives, not later than thirty (30) days after the first delivery of  
2 grain is received under the forward pricing (delayed pricing) contract. The licensed  
3 grain establishment shall maintain a file of executed forward pricing (delayed  
4 pricing) contracts that are available for inspection at any reasonable time by the  
5 department. The licensed grain establishment shall keep records and ledgers which  
6 the department deems necessary to document the licensed grain establishment's  
7 obligations to the producer under a forward pricing (delayed pricing) contract. The  
8 licensee shall provide reports, forms, and other evidence the department shall adopt  
9 by administrative regulation to document the storage and marketing of grain under  
10 the forward pricing (delayed pricing) contract.

11 (2) Except as otherwise provided in subsection (3) of this section, a licensed grain  
12 establishment which purchases grain under a forward pricing (delayed pricing)  
13 agreement shall at all times maintain the grain in storage, rights in the grain,  
14 proceeds from the sale of grain, or a combination of the grain, rights, and proceeds  
15 equal to eighty percent (80%) of the value of the licensed grain storage  
16 establishment's unpaid obligations for all grain that it has purchased and for which  
17 delivery has been made under a forward pricing (delayed pricing) contract. The  
18 obligation shall be secured or represented by one (1) or more of the following:

19 (a) Maintenance of the grain in storage in the licensed grain establishment's  
20 warehouse or storage facilities;

21 (b) Rights in grain as evidenced by a receipt or ticket for storage of the grain  
22 under a bailment agreement in another warehouse approved by the  
23 department; or

24 (c) Proceeds from the sale of grain as evidenced or represented by one (1) or more  
25 of the following:

26 1. Funds held in a separate account for the benefit of all unpaid producers  
27 of grain delivered under a forward pricing (delayed pricing) contract

- 1 with the separate account existing in a state or federal licensed financial  
2 institution or a lending agency of the federal Farm Credit  
3 Administration;
- 4 2. Short-term investments held in time accounts for the benefit of all  
5 unpaid producers of grain delivered under a forward pricing (delayed  
6 pricing) contract with state or federal licensed financial institutions or a  
7 lending agency of the federal Farm Credit Administration; or
- 8 3. Other evidence of unencumbered assets as may be acceptable to the  
9 department, including an irrevocable letter of credit or surety bond.
- 10 (3) The licensed grain establishment handler account required by subsection (2) of this  
11 section shall be deemed grain or the proceeds for grain arising from unpaid  
12 obligations for all grain purchased and for which delivery has been made under a  
13 forward pricing (delayed pricing) contract. The Commissioner shall have a priority  
14 lien upon the property or assets required to be maintained in the licensed grain  
15 establishment's grain handler account as provided in subsection (2) of this section.  
16 The Commissioner shall, when he questions a licensed grain establishment's ability  
17 to pay producers for grain purchased, or when he determines that the licensed  
18 establishment does not have sufficient net worth to satisfy indebtedness, after giving  
19 notice to the owner or agent of the owner, prohibit the transfer or disbursement of  
20 any grain, property, or assets maintained in the licensed grain establishment handler  
21 account, except for the satisfaction of unpaid obligations for grain that has been  
22 purchased and for which delivery has been made under a forward pricing (delayed  
23 pricing) contract. Disbursements shall be made under the direction of the  
24 Commissioner to grain producers on a pro rata basis. An action to enforce the  
25 priority lien created by this subsection may be brought in the name of the  
26 Commissioner or the Kentucky Grain Insurance Corporation in the ~~Franklin~~  
27 Circuit Court **of the county where the licensed establishment is located.**

1 (4) The licensed warehouse establishment and the producer may at the time a forward  
2 pricing (delayed pricing) contract is executed mutually agree and waive the payment  
3 of compensation from the Kentucky Grain Insurance Fund authorized by KRS  
4 251.670. The waiver shall be made in writing at the time the forward pricing  
5 (delayed pricing) contract is executed and shall be made in a manner prescribed by  
6 the Commissioner and filed with the department within ten (10) days thereafter.  
7 Upon the waiver, the grain sold pursuant to the forward pricing (delayed pricing)  
8 contract shall be excluded from the coverage of the Kentucky Grain Insurance Fund  
9 and the producer shall be exempted from the assessment at KRS 251.640(1) for the  
10 amount of grain covered by the contract. The licensed grain establishment shall not  
11 be required to maintain rights in the grain, proceeds from the sale of grain, or a  
12 combination of the grain, rights, and proceeds equal to eighty percent (80%) of the  
13 value of the licensed storage establishment's unpaid obligation relating to the  
14 amount of grain exempted from the payment of compensation from the Kentucky  
15 Grain Insurance Fund.

16 ➔Section 143. KRS 251.640 is amended to read as follows:

17 (1) It is declared to be in the public interest and highly advantageous to the agricultural  
18 economy of the state that all producers of grain shall be assessed at a rate of .0025  
19 times the gross value of all marketed grain and provide for the collection of the  
20 assessment for the purpose of financing or contributing to the financing of the  
21 Kentucky grain insurance fund, which is hereby created.

22 (2) Upon the establishment of the Kentucky Grain Insurance Corporation, the  
23 Commissioner shall notify by certified mail, all persons in this state engaged in the  
24 business of purchasing grain from producers, that on and after the date specified in  
25 the letter, the specified assessment shall be deducted from the producer's payment  
26 by the purchaser, or his agent or representative, from the purchase price of the grain.  
27 The deducted assessment shall, on or before the fifteenth day of the month

1 following the end of the month in which the grains are sold to the purchaser, be  
2 remitted by the purchaser to the grain insurance fund. The books and records of all  
3 purchasers of grain, which shall clearly indicate the producer assessment, shall at all  
4 times be open for inspection by the Commissioner of Agriculture or his duly  
5 authorized agents during regular business hours. The Commissioner or his agents  
6 may take steps as are reasonably necessary to verify the accuracy of books and  
7 records of purchasers of grain.

8 (3) (a) Beginning with the first assessment levied on or after June 25, 2009, no  
9 assessments shall be collected by the department under paragraph (b) of this  
10 subsection unless the board has certified that the fund is less than three million  
11 dollars (\$3,000,000). For subsequent assessments, the provisions and amounts  
12 specified in paragraph (b) of this subsection apply.

13 (b) If and when the fund is more than ten million dollars (\$10,000,000), no fees  
14 shall be assessed by the department unless the amount in the fund drops below  
15 ten million dollars (\$10,000,000). If the fund is more than ten million dollars  
16 (\$10,000,000), no later than April 30 of each year, the board shall meet and  
17 certify the fund is in excess of ten million dollars (\$10,000,000). Upon this  
18 certification, no assessment shall be assessed or collected for that licensed  
19 year. If at any time after the board has certified the ten million dollars  
20 (\$10,000,000) amount, the board receives notification of the fund being less  
21 than eight million dollars (\$8,000,000), the board shall within thirty (30) days  
22 certify that the fund has less than eight million dollars (\$8,000,000), and the  
23 assessment shall be reinstated. Upon notification from the board, the  
24 department shall within thirty (30) days reinstate the assessment fee of .0025  
25 times the gross value of the grain purchased.

26 (4) Any producer upon and against whom the assessment is levied and collected under  
27 the provisions of this section, if dissatisfied with the assessment, may demand of

1 and receive from the treasurer of the grain insurance corporation a refund of  
2 assessment collected from the producer, if the demand for refund is made in writing  
3 within thirty (30) days from the date on which the assessment is collected from the  
4 producer. By voluntarily submitting to a refund, the producer forgoes any protection  
5 or compensation provided for by the grain insurance corporation.

6 (5) When in the judgment of the board or the duly certified association, a purchaser has  
7 engaged in or is about to engage in any acts or practices that constitute a violation of  
8 any of the provisions of KRS 251.410, 251.430, 251.440, 251.451, 251.490, or  
9 251.600 to 251.740, the grain insurance corporation may make application to the  
10 ~~Franklin~~ Circuit Court **of the county where a violation occurred or is about to**  
11 **occur** for an order enjoining the acts or practices, and obtain a restraining order and  
12 preliminary injunction against the purchaser.

13 (6) The assessments by the department in accordance with this section are in addition to  
14 any other fees or assessments required by law.

15 ➔Section 144. KRS 257.440 is amended to read as follows:

16 Any permit may be suspended or canceled by the Division of Animal Health, after  
17 opportunity for a hearing to be conducted in accordance with KRS Chapter 13B, for any  
18 violation of KRS 257.370 to 257.460 or the regulations promulgated under KRS 257.370  
19 to 257.460. Any person who is refused a permit or whose permit is revoked after a  
20 hearing may appeal the final order to the Circuit Court of Franklin County **or the Circuit**  
21 **Court of any county where the permit would have authorized the person to operate** in  
22 accordance with KRS Chapter 13B.

23 ➔Section 145. KRS 257.552 is amended to read as follows:

24 If any person holding captive cervids regulated under KRS 150.725 to 150.735 is  
25 determined in violation of a Kentucky statute or administrative regulation pertaining to  
26 the health requirements, eradication of diseases, importation, and identification of those  
27 cervids, then that person shall have sixty (60) days from when the violation was identified

1 to come into compliance. During the sixty (60) day period, the cervids shall be subject to  
2 quarantine by the Kentucky Department of Agriculture. The permit holder may request an  
3 administrative hearing pursuant to KRS Chapter 13B within thirty (30) days of the notice  
4 of violation and may appeal the final decision to ~~any~~<sup>Franklin</sup> Circuit Court *of*  
5 **competent jurisdiction** in accordance with KRS Chapter 13B. If a final determination  
6 upholds the Kentucky Department of Agriculture, the permit holder's cervids may be  
7 disposed of by the department without compensation to the owner.

8 ➔Section 146. KRS 260.560 is amended to read as follows:

- 9 (1) The department shall administer all provisions and exercise all administrative  
10 powers in the egg marketing law. The department may promulgate reasonable  
11 administrative regulations necessary to carry out the provisions of the egg marketing  
12 law.
- 13 (2) The department may conduct administrative hearings, in accordance with KRS  
14 Chapter 13B, to the extent necessary for proper administration of the egg marketing  
15 law.
- 16 (3) Any final order of the department refusing, revoking, or suspending an egg license  
17 may be appealed by the aggrieved party to the Franklin Circuit Court *or the Circuit*  
18 **Court of any county where the aggrieved party resides or has a principal place of**  
19 **business** in accordance with KRS Chapter 13B.

20 ➔Section 147. KRS 262.918 is amended to read as follows:

- 21 (1) (a) A grantor may terminate an easement, in whole or in part, only by filing an  
22 action in the Franklin Circuit Court *or the Circuit Court of the county where*  
23 **the easement is filed**, and demonstrating by clear and convincing evidence  
24 that conditions on or surrounding the land subject to an agricultural  
25 conservation easement have changed so much that agriculture is no longer  
26 viable and it has become impossible to fulfill any of the easement's  
27 conservation purposes. The grantor shall name the PACE Corporation as the

1 defendant in the action.

2 (b) In the event that a finding is made by the court that a portion of the land  
3 subject to the agricultural conservation easement is no longer suitable for  
4 agricultural purposes, the owner shall, at the owner's expense, provide a  
5 survey of the land area on which the agricultural conservation easement is to  
6 be terminated.

7 (2) (a) No agricultural conservation easement or portion thereof which has been  
8 purchased with Commonwealth funds shall be terminated by the court except  
9 upon payment by the grantor to the PACE Corporation of its then fair value.  
10 The value of the easement shall be established by one of the following two  
11 methods, as determined by the court:

- 12 1. The owner shall pay the PACE Corporation an amount equal in current  
13 dollars to the full cost of acquiring and monitoring the easement during  
14 its full duration, plus reasonable interest as determined by court; or
- 15 2. The owner shall pay the PACE Corporation an amount equal to the  
16 easement's current market value as determined by independent appraisal,  
17 performed at the owner's expense and satisfactory to the  
18 Commonwealth.

19 (b) The PACE Corporation shall place the proceeds from the termination of the  
20 easement in the agricultural enhancement fund and use the proceeds consistent  
21 with the purposes of KRS 262.900 to 262.920.

22 ➔Section 148. KRS 275.454 is amended to read as follows:

23 Any action brought by the Attorney General for the involuntary dissolution of a nonprofit  
24 limited liability company may be commenced in ~~Franklin Circuit Court or in~~ the Circuit  
25 Court of the county in which the registered office of the nonprofit limited liability  
26 company is situated.

27 ➔Section 149. KRS 277.990 is amended to read as follows:

- 1 (1) Any railroad company that violates or permits any of its agents or employees to  
2 violate any of the provisions of KRS 277.110, subsection (1) of 277.160, 277.170,  
3 277.180, 277.210, 277.230 or 277.300 shall, in addition to subjecting itself to any  
4 damages that may be caused by such violation, be fined not less than one hundred  
5 dollars (\$100) nor more than five hundred dollars (\$500) for each offense, to be  
6 recovered in ~~the Franklin Circuit Court or in~~ the circuit court of any county  
7 through which the railroad operates a line of road.
- 8 (2) Any person who violates any of the provisions of subsection (2) of KRS 277.160  
9 shall be fined not less than five dollars (\$5) nor more than one hundred dollars  
10 (\$100) for each offense.
- 11 (3) Any railroad company that violates, or permits any of its agents or employees to  
12 violate, any of the provisions of KRS 277.190, shall, in addition to subjecting itself  
13 to liability for any damage caused thereby, be fined not less than ten dollars (\$10)  
14 nor more than fifty dollars (\$50) for each offense. Prosecutions under this  
15 subsection shall not be commenced after six (6) months from the commission of the  
16 offense charged in the prosecution.
- 17 (4) Any person who violates any of the provisions of KRS 277.250 shall be fined fifty  
18 dollars (\$50) or imprisoned for thirty (30) days, or both.
- 19 (5) Any owner or operator of a railroad running through or within this state as a  
20 common carrier of persons or property or both, for compensation, who either  
21 operates for its employees, or who furnishes to its employees for their transportation  
22 to or from the place or places where they are required to labor, a rail track motor car  
23 that has not been fully equipped as required by KRS 277.245, shall be fined not less  
24 than one hundred dollars (\$100) nor more than five hundred dollars (\$500) for each  
25 offense and each day or part of a day it operates or furnishes each of such rail track  
26 motor cars not so equipped as provided in KRS 277.245 to its employees for  
27 operation to or from the place or places where they are required to work shall

1 constitute a separate offense.

2 (6) Any railroad company that violates the provisions of KRS 277.200 shall be fined  
3 not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100) for  
4 each offense. If a grade crossing or drawbridge is obstructed by two (2) or more  
5 trains stopping and standing thereon in succession without allowing accumulated  
6 highway or water traffic to pass, the obstruction by each such successive train shall  
7 constitute a separate offense.

8 ➔Section 150. KRS 278.021 is amended to read as follows:

9 (1) If the commission, after notice and hearing, enters an order in which it finds that a  
10 utility is abandoned, the commission may bring an action in the ~~Franklin~~ Circuit  
11 Court **of any county in which the abandoned utility is located** for an order  
12 attaching the assets of the utility and placing those assets under the sole control and  
13 responsibility of a receiver.

14 (2) For purposes of this section, a utility shall be considered abandoned if it:

15 (a) Disclaims, renounces, relinquishes, or surrenders all property interests or all  
16 rights to utility property, real or personal, necessary to provide service;

17 (b) Notifies the commission of its intent to abandon the operation of the facilities  
18 used to provide service;

19 (c) Fails to comply with an order of the commission in which the commission  
20 determined that the utility is not rendering adequate service, specified the  
21 actions necessary for the utility to render adequate service, and fixed a  
22 reasonable time for the utility to perform such actions, and the failure of the  
23 utility to comply with the order presents a serious and imminent threat to the  
24 health or safety of a significant portion of its customers; or

25 (d) Fails to meet its financial obligations to its suppliers and is unable or  
26 unwilling to take necessary actions to correct the failure after receiving  
27 reasonable notice from the commission, and the failure poses an imminent

1 threat to the continued availability of gas, water, electric, or sewer utility  
2 service to its customers.

3 (3) Within twenty (20) days after commencing an action in ~~the~~ ~~Franklin~~ Circuit Court,  
4 the commission shall file a certified copy of the record of the administrative  
5 proceeding in which the commission entered its finding of abandonment.

6 (4) Any action brought pursuant to KRS 278.410 for review of an order of the  
7 commission containing a finding that a utility is abandoned shall be consolidated  
8 with any action brought pursuant to subsection (1) of this section and based upon  
9 the same order.

10 (5) Any receiver appointed by the court shall file a bond in an amount fixed by the  
11 court. The receiver shall operate the utility to preserve its assets, to restore or  
12 maintain a reasonable level of service, and to serve the best interests of its  
13 customers.

14 (6) During the pendency of any receivership, the receiver may bring or defend any  
15 cause of action on behalf of the utility and generally perform acts on behalf of the  
16 utility as the court may authorize.

17 (7) The receiver shall control and manage the assets and operations of the utility until  
18 the ~~Franklin~~ Circuit Court, after reasonable notice and hearing, orders the receiver  
19 to return control of those assets to the utility or to liquidate those assets as provided  
20 by law.

21 (8) (a) Notwithstanding subsection (1) of this section, the commission may petition  
22 the ~~Franklin~~ Circuit Court to appoint temporarily a receiver to operate and  
23 manage the assets of an abandoned utility. After notice to the utility and a  
24 hearing, the court may grant a petition, upon terms and conditions as it deems  
25 appropriate, upon a showing by a preponderance of the evidence:

- 26 1. That a utility has been abandoned;
- 27 2. That the abandonment is an immediate threat to the public health, safety,

1 or the continued availability of service to the utility's customers; and

2 3. That the delay required for the commission to conduct a hearing would  
3 place the public health, safety, or continued utility service at unnecessary  
4 risk.

5 (b) Sixty (60) days after its entry, the order of temporary receivership shall  
6 terminate and control and responsibility for the assets and operations of the  
7 utility shall revert to the utility without further action of the court unless the  
8 commission brings an action under subsection (1) of this section.

9 (9) Nothing contained in this section shall be construed as requiring the commission to  
10 approve an application made pursuant to KRS 278.020(6) for authority to abandon a  
11 utility or other assets of a utility or to cease the provision of utility service.

12 ➔Section 151. KRS 278.390 is amended to read as follows:

13 The commission may compel obedience to its lawful orders by mandamus, injunction or  
14 other proper proceedings in the ~~Franklin~~ Circuit Court or any other court of competent  
15 jurisdiction **of the county where the events giving rise to the order occurred**, and such  
16 proceedings shall have priority over all pending cases. Every order entered by the  
17 commission shall continue in force until the expiration of the time, if any, named by the  
18 commission in the order, or until revoked or modified by the commission, unless the  
19 order is suspended, or vacated in whole or in part, by order or decree of a court of  
20 competent jurisdiction.

21 ➔Section 152. KRS 278.410 is amended to read as follows:

22 (1) Any party to a commission proceeding or any utility affected by an order of the  
23 commission may, within thirty (30) days after service of the order, or within twenty  
24 (20) days after its application for rehearing has been denied by failure of the  
25 commission to act, or within twenty (20) days after service of the final order on  
26 rehearing, when a rehearing has been granted, bring an action against the  
27 commission in ~~at the Franklin~~ Circuit Court **of competent jurisdiction** to vacate or

1 set aside the order or determination on the ground that it is unlawful or  
2 unreasonable. Service of a commission order is complete three (3) days after the  
3 date the order is mailed. Notice of the institution of such action shall be given to all  
4 parties of record before the commission.

5 (2) The answer of the commission shall be served and filed within twenty (20) days  
6 after service of the complaint. The action shall then be at issue and stand ready for  
7 trial upon ten (10) days' notice to either party, on the equity side of the docket of the  
8 court. The answer need not deny verbatim the allegations of the petition, but a  
9 general denial thereof on behalf of the commission shall be sufficient.

10 (3) Injunctive relief may be granted by the Circuit Court in the manner and upon the  
11 terms provided by law.

12 ➔Section 153. KRS 278.990 is amended to read as follows:

13 (1) Any officer, agent, or employee of a utility, as defined in KRS 278.010, and any  
14 other person who willfully violates any of the provisions of this chapter or any  
15 regulation promulgated pursuant to this chapter, or fails to obey any order of the  
16 commission from which all rights of appeal have been exhausted, or who procures,  
17 aids, or abets a violation by any utility, shall be subject to either a civil penalty to be  
18 assessed by the commission not to exceed two thousand five hundred dollars  
19 (\$2,500) for each offense or a criminal penalty of imprisonment for not more than  
20 six (6) months, or both. If any utility willfully violates any of the provisions of this  
21 chapter or any regulation promulgated pursuant to this chapter, or does any act  
22 therein prohibited, or fails to perform any duty imposed upon it under those sections  
23 for which no penalty has been provided by law, or fails to obey any order of the  
24 commission from which all rights of appeal have been exhausted, the utility shall be  
25 subject to a civil penalty to be assessed by the commission for each offense not less  
26 than twenty-five dollars (\$25) nor more than two thousand five hundred dollars  
27 (\$2,500). Each act, omission, or failure by an officer, agent, or other person acting

- 1 for or employed by a utility and acting within the scope of his employment shall be  
2 deemed to be the act, omission, or failure of the utility.
- 3 (2) Actions to recover the principal amount due and penalties under this chapter shall  
4 be brought in the name of the Commonwealth in ~~the~~<sup>the Franklin</sup> Circuit Court ***of***  
5 ***the county where the utility has its principal place of business***. Whenever any  
6 utility is subject to a penalty under this chapter, the commission shall certify the  
7 facts to its counsel, who shall bring an action for recovery of the principal amount  
8 due and the penalty. The commission may compromise and dismiss the action on  
9 terms approved by the court. The principal amount due shall be paid into the State  
10 Treasury and credited to the account of the commission, and all penalties recovered  
11 in such actions shall be paid into the State Treasury and credited to the general fund.
- 12 (3) Any utility that fails to pay an assessment as provided for by KRS 278.130 to  
13 278.150 shall forfeit and pay to the state one thousand dollars (\$1,000), and twenty-  
14 five dollars (\$25) for each day it fails to pay the assessment, and shall not be  
15 released thereby from its liability for the assessment.
- 16 (4) Any utility that issues any securities or evidences of indebtedness, or assumes any  
17 obligation or liability in respect to the securities or evidences of indebtedness of any  
18 other person, or makes any sale or other disposition of securities or evidences of  
19 indebtedness, or the proceeds thereof, for purposes other than the purposes specified  
20 in the order of the commission made with respect thereto under KRS 278.300, shall  
21 be fined not more than ten thousand dollars (\$10,000).
- 22 (5) Any utility that violates any of the provisions of KRS 278.460 shall be fined not  
23 less than one hundred dollars (\$100) for each offense.
- 24 (6) Any company that willfully fails to receive, transport, and deliver oil or gas as  
25 required by KRS 278.490 shall, in addition to being liable in damages to the injured  
26 person, be fined not less than one hundred dollars (\$100) nor more than five  
27 hundred dollars (\$500), and each day of willful failure shall constitute a separate

1 offense.

2 (7) Any telephone company that refuses to make a connection with the exchange or  
3 lines of another company for a period of thirty (30) days after being ordered to do so  
4 by the commission under subsection (2) of KRS 278.530 shall be fined not less than  
5 one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000), to be  
6 recovered by indictment in the Franklin Circuit Court or in the Circuit Court of the  
7 county where the company requesting the connection resides or has its chief office  
8 in this state. If the company desiring the connection proceeds to make the  
9 connection, as permitted by subsection (2) of KRS 278.530, and the company so  
10 connected with refuses to receive and transmit the toll messages offered to it by the  
11 company making the connection, or refuses to deliver messages from its own lines  
12 or exchanges to the lines or exchanges of the company making the connection, the  
13 company so refusing shall be fined one hundred dollars (\$100) for each day it  
14 refuses, to be recovered by indictment in the courts mentioned in the first sentence  
15 of this subsection; if it continues so to refuse for a period of six (6) months it shall  
16 forfeit its right to do business in this state, and any of its officers, agents, or  
17 employees who does or attempts to do any business in this state for it after the  
18 expiration of the six (6) months' period shall be fined fifty dollars (\$50) for each day  
19 he does or attempts to do such business.

20 ➔Section 154. KRS 278.992 is amended to read as follows:

21 (1) Any person who violates any minimum safety standard adopted by the United States  
22 Department of Transportation pursuant to the federal pipeline safety laws, 49 U.S.C.  
23 secs. 60101 et seq., or any amendments thereto, or any regulation adopted and filed  
24 pursuant to KRS Chapter 13A by the Public Service Commission governing the  
25 safety of pipeline facilities or the transportation of gas as those terms are defined in  
26 the Natural Gas Pipeline Safety Act, shall be subject to a civil penalty to be assessed  
27 by the Public Service Commission not to exceed the maximum civil penalty as

1 contained in 49 C.F.R. sec. 190.223, as of December 31, 2011, for a violation of any  
2 provision of 49 U.S.C. secs. 60101 et seq., or any regulation or order issued  
3 thereunder, for each violation for each day that the violation persists. Any civil  
4 penalty assessed for a violation may be compromised by the commission. In  
5 determining the amount of the penalty, or the amount agreed upon in compromise,  
6 the appropriateness of the penalty to the size of the business of the person charged,  
7 the gravity of the violation, and the good faith of the person charged in attempting  
8 to achieve compliance, after notification of the violation, shall be considered. The  
9 amount of the penalty, when finally determined, or the amount agreed upon in  
10 compromise, may be deducted from any sums owing by the Commonwealth of  
11 Kentucky to the person charged or may be recovered in a civil action in the  
12 ~~Franklin~~ Circuit Court *of competent jurisdiction.*

13 (2) Any person who willfully and knowingly defaces, damages, removes, or destroys  
14 any pipeline sign or right-of-way marker required by the Natural Gas Pipeline  
15 Safety Act or any regulation or order issued pursuant to it shall, upon conviction, be  
16 subject for each offense to a fine of not more than five thousand dollars (\$5,000),  
17 imprisonment for a term not to exceed one (1) year, or both.

18 ➔Section 155. KRS 280.110 is amended to read as follows:

19 In all matters in which the Department of Highways has power and authority under KRS  
20 280.010 to 280.100, it may hear applications and complaints, issue subpoenas, compel the  
21 attendance of witnesses, require persons to testify under oath, administer oaths, and issue  
22 process, orders, opinions and decisions, but from each final order of the department an  
23 appeal may be taken to the Franklin Circuit Court *or the Circuit Court of any county*  
24 *where an aggrieved party resides or has a principal place of business* as provided in  
25 KRS Chapter 13B.

26 ➔Section 156. KRS 281.640 is amended to read as follows:

27 (1) Hearings before the department shall be conducted in accordance with the

- 1 provisions of KRS Chapter 13B.
- 2 (2) After a hearing held upon the department's motion or upon complaint, in addition to  
3 the remedies outlined in KRS 281.630(10), the department may suspend or revoke  
4 any certificate or license issued to a motor carrier if the department is satisfied the  
5 motor carrier or the motor carrier's drivers, other agents, or motor carrier vehicles:  
6 (a) Violate the provisions of this chapter;  
7 (b) Violate an order or administrative regulation promulgated by the department;  
8 (c) Violate the laws of this state; or  
9 (d) Are found to be unfit to carry out the duties, obligations, and responsibilities  
10 of a motor carrier.
- 11 (3) The commissioner or one (1) of the assistant commissioners with approval by the  
12 commissioner, shall have authority to issue a final order of the department. The  
13 recommended order shall not become the final order of the department through  
14 failure to file exceptions, but in the absence of exceptions ordinarily will be taken  
15 by the department as the basis of its final order.
- 16 (4) The department shall have the right to withdraw, set aside, or amend any final order  
17 it has issued, except that such action upon the part of the department shall be taken  
18 between the date of the rendition of the final order and the expiration of the time for  
19 appeal or until an appeal has been taken.
- 20 (5) The renewal by the department of the certificate of a motor carrier shall not be  
21 construed to be a waiver of any violation that occurred prior to the renewal and shall  
22 not prevent subsequent proceedings against the motor carrier.
- 23 (6) An appeal ~~to the Franklin Circuit Court~~ may be taken from any final order of the  
24 department by anyone who was a party to the proceedings before it by filing a  
25 petition of appeal with the clerk of the ~~Franklin~~ Circuit Court **in the county where**  
26 **the party resides or has its principal place of business,** in accordance with KRS  
27 Chapter 13B. In the case of an appeal in which a certificate has been revoked or

1 suspended, the certificate shall remain in force until final disposition of the appeal.

2 ➔Section 157. KRS 281.795 is amended to read as follows:

3 ~~[The Franklin Circuit Court shall hold concurrent venue with the courts of this~~  
4 ~~Commonwealth of ]~~All civil and injunctive actions instituted by the department for the  
5 enforcement of this chapter and the orders, rules and regulations of the department  
6 thereunder **shall be filed in the Circuit Court of any county in which a substantial part**  
7 **of the events giving rise to the action occurred.**

8 ➔Section 158. KRS 286.2-685 is amended to read as follows:

9 (1) No person may use the term "bank," "banker," "banking," "trust," or a similar term  
10 or a character, ideogram, phonogram, phrase, or foreign language word in its name,  
11 stationery, or advertising in a manner that would imply to the public that the person  
12 is engaged in the banking or trust business.

13 (2) Subsection (1) of this section does not apply to a depository institution or other  
14 entity organized under the laws of this state, another state, or the United States to  
15 the extent that the depository institution or other entity is:

16 (a) Authorized under its charter or the laws of this state or the United States to  
17 use a term, word, character, ideogram, phonogram, or phrase prohibited by  
18 subsection (1) of this section; and

19 (b) Authorized by the laws of this state or the United States to conduct the  
20 activities in which it is engaged in this state.

21 (3) For purposes of this section, unless the context requires otherwise, "financial  
22 institution" means any person or entity operating in the Commonwealth of  
23 Kentucky, as permitted under the laws of this state, any other state, or the United  
24 States, as a bank, bank holding company, credit union, savings and loan association,  
25 or any wholly owned subsidiary thereof.

26 (4) Except as provided in subsection (5) of this section, no person that is not a financial  
27 institution may use the trade name, trademark, service mark, logo, or symbol, or any

1 combination thereof, of any financial institution, or any trade name, trademark,  
2 service mark, logo, or symbol, or any combination thereof, that is similar to the  
3 trade name, trademark, service mark, logo, or symbol of such a financial institution,  
4 in any marketing material, solicitation, or advertising provided or directed to  
5 another person in a manner such that a reasonable person may be confused,  
6 mistaken, or deceived that the marketing material, solicitation, or advertising  
7 originated from, is endorsed by, or has been consented to by the financial  
8 institution.

9 (5) Subsection (4) of this section shall not apply to a person who uses the trade name,  
10 trademark, service mark, logo, or symbol of a financial institution with the written  
11 consent of the financial institution.

12 (6) The financial institution whose trade name, trademark, service mark, logo, or  
13 symbol has been used in violation of this section may institute an action in ~~the~~  
14 ~~Franklin Circuit Court or~~ any court of competent jurisdiction against any person or  
15 entity in violation of subsection (4) of this section to enjoin a continuance of any  
16 activity in violation of subsection (4) of this section and, if injured thereby, for the  
17 recovery of damages at three (3) times the amount of any actual damages sustained  
18 and for civil penalties in the amount of one thousand dollars (\$1,000). It shall not be  
19 necessary that actual damages be alleged or proved in order to recover injunctive  
20 relief or civil penalties. The penalties prescribed by this subsection shall be  
21 cumulative.

22 ➔Section 159. KRS 286.3-990 is amended to read as follows:

23 (1) Any person who violates KRS 286.3-030(2) may be fined not less than five hundred  
24 dollars (\$500) nor more than one thousand dollars (\$1,000) for each day he or she is  
25 engaged in the private banking business.

26 (2) Any institution that fails to make the report required by KRS 286.3-420 to the  
27 commissioner within five (5) days after the report is due or demanded, or that fails

- 1 to have the report published as required by KRS 286.3-420, may be assessed and, if  
2 assessed, shall pay a penalty of two hundred dollars (\$200).
- 3 (3) If any person violates KRS 286.3-440(3) his or her office shall ipso facto become  
4 vacant. The president or cashier of any bank or trust company to which any person  
5 becomes indebted in violation of KRS 286.3-440(3) shall immediately report such  
6 fact to the commissioner, who may remove the person so offending.
- 7 (4) Any receiver of an insolvent institution who fails to comply with the provisions of  
8 this subtitle shall be subject to the same penalties provided for solvent institutions  
9 and officers so offending.
- 10 (5) Any directors of a bank who knowingly violate, or knowingly permit any officer or  
11 employee of the bank to violate, any of the laws relating to banks, shall be jointly  
12 and severally liable to the creditors and stockholders for any loss or damage  
13 resulting from such violation. If the loss or damage is not made good within a  
14 reasonable time, the commissioner, with the consent of the Attorney General, shall  
15 institute proceedings to revoke the corporate powers of the bank.
- 16 (6) Any deputy commissioner or any examiner who has knowledge of the insolvency or  
17 unsafe condition of a state bank or trust company, or that it is inexpedient to permit  
18 the bank or trust company to continue business, and who fails to immediately  
19 present a signed report of such facts to the commissioner, or who violates any of the  
20 provisions of this subtitle, shall forfeit his or her office and shall be fined not less  
21 than one hundred (\$100) nor more than two thousand dollars (\$2,000) for each  
22 offense.
- 23 (7) Any commissioner who has knowledge of the insolvency or unsafe condition of a  
24 state bank or trust company, or that it is inexpedient to permit the bank or trust  
25 company to continue business, and who willfully fails to take the action prescribed  
26 by this subtitle, or who violates any of the provisions of this subtitle, shall forfeit his  
27 or her office and shall be fined not less than five hundred (\$500) nor more than five

- 1 thousand dollars (\$5,000) for each offense.
- 2 (8) Any bank or trust company that knowingly fails to make a report required by law or  
3 by the commissioner within the time designated for the making thereof, or fails to  
4 include in such report any matter required by law or by the commissioner, or fails to  
5 publish a report within thirty (30) days after it should have been published, or fails  
6 to pay when due the fees for filing reports or for an examination of the bank, shall  
7 be subject to a penalty of one hundred dollars (\$100) for each day of delinquency,  
8 but the aggregate penalty for each kind of offense shall not exceed one thousand  
9 dollars (\$1,000).
- 10 (9) Each person, bank, or trust company that willfully makes or transmits a false report  
11 or refuses to submit its books, papers, and assets for examination, or any officer of a  
12 bank who refuses to be examined under oath concerning the affairs of the bank,  
13 shall be severally fined not less than five hundred dollars (\$500) nor more than five  
14 thousand dollars (\$5,000).
- 15 (10) Whenever any fine imposed by subsection (1), (2), (4), (6), (7), (8), (9), (15), (16),  
16 (17), or (18) of this section is not paid, the Attorney General shall institute an  
17 action, in the name of the state, in the ~~Franklin Circuit Court or the~~ Circuit Court  
18 of the county in which the offense was committed, for the recovery of the fine.
- 19 (11) Any person violating any of the provisions of KRS 286.3-225 shall be guilty of a  
20 misdemeanor and fined not less than fifty dollars (\$50) nor more than two thousand  
21 dollars (\$2,000).
- 22 (12) Any person who willfully makes charges in excess of those permitted by KRS  
23 286.3-720 to 286.3-770 shall be guilty of a misdemeanor and upon conviction shall  
24 be punished by a fine not exceeding five hundred dollars (\$500) or by imprisonment  
25 for not more than six (6) months, or both.
- 26 (13) Any bank which violates any provision of KRS 286.3-720 to 286.3-770, except as a  
27 result of an accidental or bona fide error, shall be barred from the recovery of any

1 finance charges permitted by KRS 286.3-740 and 286.3-750, and the debtor, or the  
2 debtor's legal representatives, may recover back, in an action against the bank, any  
3 amounts paid to the bank on account of such finance charge; provided such action is  
4 commenced within two (2) years from the date such violation first occurred; but the  
5 bank may nevertheless recover from the debtor an amount equal to the principal of  
6 extensions of credit made pursuant to a revolving credit plan and any charges not  
7 prohibited by KRS 286.3-760.

8 (14) Notwithstanding the provisions of subsections (12) and (13) of this section, any  
9 failure, other than a willful and intentional failure, to comply with any provisions of  
10 KRS 286.3-710 to 286.3-770 may be corrected during the billing cycle next  
11 succeeding the receipt by the bank of written notice thereof from the debtor, and if  
12 so corrected, the bank shall not be subject to any penalty under KRS 286.3-710 to  
13 286.3-770.

14 (15) Any bank or trust company which violates or any officer, director, employee, agent,  
15 or other person participating in the conduct of the affairs of a bank who violates the  
16 terms of any order issued under KRS 286.3-690 which has become final shall forfeit  
17 and pay a fine of not more than one thousand dollars (\$1,000) per day for each day  
18 such violation continues. The fine shall be assessed by the commissioner by written  
19 notice. As used in this subsection, the term "violates" includes any action causing,  
20 participating in, counseling, aiding, or abetting a violation. In determining the  
21 amount of the fine the commissioner shall consider the financial resources and good  
22 faith of the bank or person charged, the gravity of the violation, the history of  
23 previous violations and such other factors as justice requires.

24 (16) Any bank which violates the provisions of KRS 286.3-065 may be fined not less  
25 than one hundred dollars (\$100) nor more than five hundred dollars (\$500). The  
26 fines may be assessed by the commissioner by written notice.

27 (17) Any bank which violates any provisions of KRS 286.3-100(10) may be fined not

1 less than one thousand dollars (\$1,000) nor more than two thousand dollars  
2 (\$2,000) for the first violation, and may be fined not less than two thousand dollars  
3 (\$2,000) nor more than five thousand dollars (\$5,000) for any subsequent  
4 violations.

5 (18) Any officer or director who violates the provisions of KRS 286.3-280(1) or (2) may  
6 be fined not less than one hundred dollars (\$100) nor more than five hundred dollars  
7 (\$500) for each violation, and any officer or director who violates the provisions of  
8 KRS 286.3-280(3) may be fined not less than five hundred dollars (\$500) nor more  
9 than two thousand dollars (\$2,000) for each violation. The fine may be assessed by  
10 the commissioner by written notice.

11 ➔Section 160. KRS 286.4-500 is amended to read as follows:

12 Whenever the commissioner denies any application for a license under the provisions of  
13 this subtitle or revokes any license issued pursuant to this subtitle, the commissioner shall  
14 forthwith file in his or her office a written order to that effect, stating his or her findings  
15 with respect thereto and the reasons for the action. The commissioner shall also forthwith  
16 serve upon the applicant for license or licensee a copy of the order, and the applicant or  
17 licensee may appeal to the Circuit Court of Franklin County ***or the Circuit Court of the***  
18 ***county where the business was sought to be conducted,*** within thirty (30) days after the  
19 service of a copy of the order.

20 ➔Section 161. KRS 286.4-630 is amended to read as follows:

21 In addition to any other available remedy, any person considering himself aggrieved by  
22 any act or omission of the commissioner may, within thirty (30) days from the date of  
23 such act or failure to act, bring an action in ~~any~~***the*** Circuit Court ***of competent***  
24 ***jurisdiction***~~in and for Franklin County~~ to review such act or omission. The hearing  
25 before the court shall be based on the record before the commissioner and the  
26 commissioner's findings, if any, and on such new evidence as may be introduced.

27 ➔Section 162. KRS 286.7-450 is amended to read as follows:

- 1 (1) The commissioner shall upon approval issue a certificate of approval in triplicate,  
2 one (1) copy of which shall be delivered to the applicant and one (1) copy to the  
3 Secretary of State which shall constitute the authority of the Secretary of State to  
4 file and record the articles as provided in the general corporation law.
- 5 (2) Upon the receipt of payment of fees and filing of the articles of incorporation by the  
6 Secretary of State, the commissioner shall issue a certificate or certificates  
7 authorizing the corporation to operate an industrial loan business in this state at the  
8 places specified, such certificates to be in any form the commissioner prescribes.
- 9 (3) The commissioner shall mail one (1) copy of the certificate to each office of the  
10 corporation and shall retain one (1) copy, which shall be filed in the office of the  
11 commissioner.
- 12 (4) If the commissioner does not approve the application, the commissioner shall notify  
13 the applicant of the denial and return the sum paid by the applicant as a fee for the  
14 privilege of doing business, retaining the fifty-dollar (\$50) investigation fee.
- 15 (5) The commissioner shall approve or deny every application within sixty (60) days  
16 after the filing thereof with the fees paid, unless the time is extended by the  
17 commissioner for good cause.
- 18 (6) All findings of the commissioner, together with a summary of the evidence  
19 supporting them, shall be filed in the office of the commissioner as public records.
- 20 (7) The certificate or certificates issued to the corporation shall expire on the  
21 succeeding January 15, and shall be renewed only on compliance with the  
22 provisions of KRS 286.7-410 to 286.7-600.
- 23 (8) Whenever the commissioner denies any application for certificate under the  
24 provisions of KRS 286.7-410 to 286.7-600, the commissioner shall promptly file in  
25 his office a written order to that effect, stating his or her findings with respect  
26 thereto and the reasons for his or her action. The commissioner shall also promptly  
27 serve upon the applicant for a certificate a copy of the order. The applicant may

1 request an administrative hearing to be conducted in accordance with KRS Chapter  
2 13B. Any party aggrieved by a final order issued pursuant to a hearing authorized  
3 under this subsection may appeal to the Circuit Court of Franklin County or the  
4 Circuit Court of any county where the industrial loan business had proposed to  
5 operate in accordance with KRS Chapter 13B.

6 (9) The corporation shall not conduct any industrial loan business until it receives a  
7 certificate from the commissioner stating that it has fully complied with all the  
8 provisions of KRS 286.7-410 to 286.7-600, and that the requisite capital is in good  
9 faith subscribed and paid in cash.

10 ➔Section 163. KRS 286.7-550 is amended to read as follows:

11 (1) The commissioner, for good cause and after an opportunity for a hearing to be  
12 conducted in accordance with KRS Chapter 13B, may revoke and remove from the  
13 department's file, or suspend for thirty (30) days, any certificate issued under KRS  
14 286.7-410 to 286.7-600 if the commissioner finds that:

15 (a) The holder of the certificate has failed to pay his or her annual fee for the  
16 privilege of doing business;

17 (b) The certificate holder has violated any provision of KRS 286.7-410 to 286.7-  
18 600 or has failed to comply with any administrative regulation lawfully  
19 promulgated pursuant thereto;

20 (c) Any fact or condition then exists which clearly would have warranted the  
21 commissioner in refusing to issue a certificate on an original application; or

22 (d) The certificate holder has failed to open an office for business within one  
23 hundred and twenty (120) days from the date the certificate is granted, or has  
24 failed to remain open for business for a period of one hundred and twenty  
25 (120) days, unless in each case good cause be shown.

26 (2) The commissioner may reinstate suspended certificates or issue new certificates to a  
27 certificate holder whose certificate has been revoked if no fact or condition then

1 exists which clearly would have warranted him in refusing originally to issue such  
2 certificate under KRS 286.7-410 to 286.7-600.

3 (3) Any certificate holder may surrender any certificate by delivering it to the  
4 commissioner together with written notice that he or she thereby surrenders the  
5 certificate.

6 (4) Any person whose certificate is revoked or suspended may appeal the final order by  
7 filing in the Franklin Circuit Court or the Circuit Court of any county where the  
8 industrial loan company was authorized to operate a petition for judicial review in  
9 accordance with KRS Chapter 13B.

10 ➔Section 164. KRS 286.8-090 is amended to read as follows:

11 (1) The commissioner may suspend; revoke; place on probation; condition; refuse to  
12 issue or renew a license, registration, or exemption; or accept surrender of a license,  
13 registration, or exemption in lieu of revocation or suspension; or issue a cease and  
14 desist order if the commissioner finds that the person, applicant, licensee, or  
15 registrant:

16 (a) Does not meet, no longer meets, or has failed to comply with the requirements  
17 of this subtitle;

18 (b) Is unfit through lack of financial responsibility or experience to conduct the  
19 business of a mortgage loan company or mortgage loan broker, as the case  
20 may be;

21 (c) Does not conduct his business in accordance with the law or the method of  
22 business includes or would include activities which are illegal where  
23 performed;

24 (d) Collects interest at a usurious rate;

25 (e) Is in such financial condition that he cannot continue in business with safety  
26 to his customers;

27 (f) Is guilty of fraud in connection with any transaction governed by this subtitle,

- 1 or is the subject of an administrative cease and desist order or similar order, or  
2 a permanent or temporary injunction of any court of competent jurisdiction  
3 entered under any other federal or state act;
- 4 (g) Has made any misrepresentations or false statements to, or concealed any  
5 essential or material fact from, any person in the mortgage lending process, or  
6 has engaged in a course of business that has worked or tended to work a fraud  
7 upon any person or would so operate;
- 8 (h) Has made or caused to be made to the commissioner any false representation  
9 of material fact or has suppressed or withheld from the commissioner any  
10 information that the person possesses and which, if submitted to the  
11 commissioner, would have rendered the person ineligible to be licensed,  
12 registered, or exempted from licensing or registration under this subtitle;
- 13 (i) Has failed to account to persons interest for all funds received for the escrow  
14 account required under KRS 286.8-130;
- 15 (j) Has refused to permit an examination or investigation by the commissioner of  
16 his books and affairs or has refused or failed, within a reasonable time, to  
17 furnish any information or make any report that may be required by the  
18 commissioner under the provisions of this subtitle;
- 19 (k) Has been convicted of any misdemeanor of which an essential element is  
20 fraud, breach of trust, or dishonesty, or any felony, or has pending against him  
21 any felony charge;
- 22 (l) Has had any license, registration, or claim of exemption related to the  
23 financial services industry denied, suspended, or revoked under the laws of  
24 this state or any other state of the United States, or has surrendered or  
25 terminated any license, registration, or claim of exemption issued by this state  
26 or any other jurisdiction under threat of administrative action;
- 27 (m) Has employed or contracted with a person who has failed to register or has

- 1           had a license or registration denied, revoked, or suspended in this  
2           Commonwealth or another state;
- 3           (n) Has demonstrated incompetence or untrustworthiness to act as a licensee or  
4           registrant or to continue a claim of exemption granted by application under  
5           this subtitle;
- 6           (o) Has failed to pay any required fee under this subtitle;
- 7           (p) Has abandoned an application by failing to provide the commissioner any  
8           information required under this subtitle, or requested by the commissioner, to  
9           complete an application;
- 10          (q) Has influenced, or attempted to influence through coercion, extortion, or  
11          bribery, the development, reporting, result, or review of a real estate appraisal  
12          sought in connection with a mortgage loan;
- 13          (r) Has failed to comply with an administrative or court order imposing child  
14          support obligations;
- 15          (s) Has failed to pay state income taxes or to comply with any administrative or  
16          court order directing the payment of state income tax;
- 17          (t) Has improperly used notes or other resources to complete an examination for  
18          a license or registration;
- 19          (u) Has violated any provision of KRS 360.100; or
- 20          (v) Has violated any provision of this subtitle, administrative regulation  
21          promulgated hereunder, or order issued by the commissioner.
- 22        (2) Any person whose license, registration, or claim of exemption has been denied,  
23        suspended, revoked, or surrendered in lieu of revocation or suspension under this  
24        section is prohibited from participating in any business activity of a registrant or  
25        licensee under this subtitle and from engaging in any business activity on the  
26        premises where a licensee or registrant under this subtitle is conducting its business.
- 27        (3) The commissioner shall execute a written order whenever a license, registration, or

1 claim of exemption issued pursuant to this subtitle is suspended or revoked. The  
2 commissioner shall serve the written order upon the licensee, registrant, or person  
3 claiming the exemption. The written order shall be sent by certified mail, return  
4 receipt requested, postage prepaid, to the last known principal business address of  
5 such licensee, registrant, or person claiming the exemption, as set forth in the  
6 records of the commissioner. The written order shall be deemed to have been  
7 received by the licensee, registrant, or person claiming the exemption three (3)  
8 business days following the mailing thereof.

9 (4) Any person who continues to participate in any business activity covered by this  
10 subtitle after such person's license, registration, or claim of exemption has been  
11 revoked, suspended, or denied shall be subject to the penalties in this section, KRS  
12 286.8-046, and KRS 286.8-990 and shall be in violation of KRS 367.170.

13 (5) Any person who has had a license, registration, or claim of exemption denied by the  
14 commissioner shall not be eligible to apply for a license, registration, or claim of  
15 exemption under this subtitle until after expiration of one (1) year from the date of  
16 denial.

17 (6) Any person who has had a license, registration, or claim of exemption revoked by  
18 the commissioner shall not be eligible to apply for a license, registration, or claim of  
19 exemption under this subtitle until after expiration of three (3) years from the date  
20 of revocation. A person whose license, registration, or claim of exemption has been  
21 revoked twice shall be deemed permanently revoked and shall not again be eligible  
22 for a license, registration, or claim of exemption under this subtitle.

23 (7) The provisions of this section shall be in addition to any other penalties or remedies  
24 available, including the penalties of KRS 286.8-046.

25 (8) The commissioner may notify the Department of Revenue which may institute an  
26 action in the name of the Commonwealth of Kentucky in ~~the Franklin Circuit~~  
27 ~~Court, or~~ any court of competent jurisdiction, for the recovery of any civil penalty,

1 fine, cost, or fee assessed or levied under this subtitle.

2 (9) The commissioner may file a complaint in ~~the Franklin Circuit Court, or~~ any court  
3 of competent jurisdiction, for a temporary restraining order or injunction, against  
4 any person, where the commissioner has reason to believe from evidence  
5 satisfactory to the commissioner that such person has violated, or is about to violate,  
6 a provision in this subtitle, for the purpose of restraining and enjoining such person  
7 from continuing or engaging in the violation or doing any act in furtherance thereof.  
8 The court shall have jurisdiction over the proceeding and shall have the power to  
9 enter an order or judgment awarding preliminary or final injunctive relief that is  
10 proper. Any person who violates a temporary restraining order or injunction issued  
11 by the court entered as a result of a violation of this subtitle shall be held in  
12 contempt of court.

13 (10) The surrender or expiration of a license, registration, or exemption shall not affect  
14 the licensee's civil or criminal liability for acts committed prior to the surrender or  
15 expiration. No revocation, suspension, refusal to renew, surrender, or expiration of  
16 any license, registration, or exemption shall impair or affect the obligation of any  
17 preexisting lawful contract between the licensee and the borrower. The surrender or  
18 expiration of a license, registration, or exemption shall not affect a proceeding to  
19 suspend or revoke a license or registration.

20 ➔Section 165. KRS 286.8-180 is amended to read as follows:

21 (1) In the conduct of any examination, investigation, or hearing, the commissioner or an  
22 officer designated by the commissioner may compel the attendance of any person or  
23 obtain any documents by subpoenas; administer oaths or affirmations in the  
24 examination of the directors, officers, agents, employees of any mortgage loan  
25 company, or mortgage loan broker or any other person concerning the business and  
26 conduct of affairs or any person subject to the provisions of this subtitle, and in  
27 connection therewith may require and compel the production of any books, records,

1 papers, or other documents relevant to the inquiry.

2 (2) In the contumacy by, or refusal to obey a subpoena issued to, any person,  
3 any~~[Franklin]~~ Circuit Court at the county where the person may be located, upon  
4 application by the commissioner, may issue to the person an order requiring him or  
5 her to appear before the commissioner, or the officer designated by the  
6 commissioner, there to produce documentary evidence if so ordered or to give  
7 evidence touching the matter under investigation or in question. Failure to obey the  
8 order of the court may be punished by the court as a contempt of court.

9 (3) The cost of any investigation or hearing conducted under KRS 286.8-190 may be  
10 assessed to and collected from the mortgage loan company or mortgage loan broker  
11 in question by the commissioner.

12 ➔Section 166. KRS 286.8-190 is amended to read as follows:

13 (1) The commissioner may investigate either upon complaint or otherwise when it  
14 appears that any person is conducting business in an unsafe and injurious manner or  
15 otherwise is in violation of this subtitle, or any rule or order hereunder, or when it  
16 appears that any person is engaging in the mortgage loan business without being  
17 licensed or registered, or legally exempted from licensing or registration, under the  
18 provisions of this subtitle.

19 (2) If it appears to the commissioner upon sufficient grounds or evidence satisfactory to  
20 the commissioner that any person has engaged in or is about to engage in any  
21 practice in violation of this subtitle or any rule or order hereunder, or that person's  
22 mortgage loan business affairs are in an unsafe condition, the commissioner may:

23 (a) Order the person to cease and desist from the acts or practices by a formal  
24 written order delivered to the person stating any alleged violation. The order  
25 shall specify the effective date thereof, and notice of entry shall be served  
26 personally or sent by certified mail to the last known address of the person  
27 affected. The person, upon written application, shall be entitled to a hearing;

1 but if a written application for a hearing is not timely received by the  
2 commissioner within twenty (20) days after the certified mailing or personal  
3 delivery of the order, it shall be made final and shall remain in effect until  
4 withdrawn by the commissioner or terminated by a court order; and

- 5 (b) Apply directly to ~~the~~<sup>[Franklin]</sup> Circuit Court **of the county where the**  
6 **defendant may be located**, or any court of competent jurisdiction, to enjoin  
7 any acts or practices in violation of this subtitle and to enforce compliance  
8 with this subtitle or any rule or order hereunder. Upon proper showing, a  
9 permanent or temporary injunction, restraining order, or writ of mandamus  
10 shall be granted and a receiver or conservator may be appointed for the  
11 defendant or the defendant's assets. The commissioner shall not be required to  
12 post a bond.

13 ➔Section 167. KRS 286.8-210 is amended to read as follows:

14 Any person aggrieved by final order of the commissioner may obtain a review of the  
15 order in ~~the~~ Franklin Circuit Court **or the Circuit Court of any county where the**  
16 **mortgage loan company or broker is located**, by filing in court, within sixty (60) days  
17 after the entry of the order, a written petition praying that the order be modified or set  
18 aside in whole or in part. A copy of the petition shall be forthwith served upon the  
19 commissioner, and thereupon the commissioner shall certify and file in court a copy of  
20 the filing, testimony, and other evidence upon which the order was entered. When these  
21 have been filed, the court has exclusive jurisdiction to affirm, modify, enforce or set aside  
22 the order in whole or in part. No objection to the order may be considered by the court  
23 unless it was urged before the commissioner or there were reasonable grounds for failure  
24 to do so. The findings of the commissioner as to the facts, if supported by substantial  
25 evidence, are conclusive. If either party applies to the court for leave to adduce additional  
26 evidence, and shows to the satisfaction of the court that the additional evidence is  
27 material and that there were reasonable grounds for failure to adduce the evidence in the

1 hearing before the commissioner the court may order the additional evidence to be taken  
2 before the commissioner and to be adduced upon the hearing in such manner and upon  
3 such conditions as the court may consider proper. The commissioner may modify his or  
4 her findings as to the facts, by reason of additional evidence so taken, and the  
5 commissioner shall file any modified or new findings, which if supported by substantial  
6 evidence shall be conclusive. The commencement of proceedings under this section does  
7 not, unless specifically ordered by the court, operate as a stay of the commissioner's order.  
8 An appeal may be taken from the judgment of the ~~Franklin~~ Circuit Court upon any such  
9 appeal to the court of appeals on the same terms and conditions as an appeal is taken in  
10 civil actions.

11 ➔Section 168. KRS 286.9-110 is amended to read as follows:

12 (1) The commissioner may suspend, revoke, place on probation, condition, restrict,  
13 refuse to issue or renew a license, accept the surrender of a license in lieu of  
14 revocation or suspension, order that refunds to customers be made, or issue a cease-  
15 and-desist order, if the commissioner finds that the person, licensee, or a person in  
16 control of a licensee:

17 (a) Has committed any fraud, engaged in any dishonest activities, or made any  
18 misrepresentation;

19 (b) Does not meet, has failed to comply with, or has violated any provisions of  
20 this subtitle or any administrative regulation issued pursuant thereto, or any  
21 order of the commissioner issued pursuant thereto, or has violated any other  
22 law in the course of its or his or her dealings as a licensee;

23 (c) Has made a false statement in the application for the license or failed to give a  
24 truthful reply to a question in the application;

25 (d) Has demonstrated his or her incompetence or untrustworthiness to act as a  
26 licensee;

27 (e) Is unfit, through lack of financial responsibility or experience, to conduct the

1 business of a check-cashing or deferred deposit service business, as the case  
2 may be;

3 (f) Does not conduct his or her business in accordance with the law or conducts  
4 business by a method that includes, or would include, activities that are illegal  
5 where performed, or has willfully violated any provision of this subtitle; or  
6 any administrative regulation promulgated or order of the commissioner  
7 issued hereunder;

8 (g) Is insolvent;

9 (h) Is the subject of an administrative cease-and-desist order or similar order, or a  
10 permanent or temporary injunction of any court of competent jurisdiction  
11 entered under any other federal or state act applicable to the person, applicant,  
12 or licensee;

13 (i) Has made or caused to be made to the commissioner any false representation  
14 of material fact or has suppressed or withheld from the commissioner any  
15 information that the applicant or licensee possesses and which, if submitted by  
16 him or her, would have rendered the applicant or licensee ineligible to be  
17 licensed under this subtitle;

18 (j) Has refused to permit an examination or investigation by the commissioner of  
19 his or her books and affairs or has refused or failed, within a reasonable time,  
20 to furnish any information or records, or make any report that may be required  
21 or requested by the commissioner;

22 (k) Has been convicted of a felony;

23 (l) Has been convicted of any misdemeanor of which an essential element is  
24 fraud, breach of trust, or dishonesty;

25 (m) Has had any license, registration, or claim of exemption related to the  
26 financial services industry denied, revoked, suspended, conditioned, restricted,  
27 or probated under the laws of this state, any other state, or the United States,

- 1 or has surrendered, withdrawn, or terminated any license, registration, or  
2 claim of exemption issued or registration granted by this state or any other  
3 jurisdiction under threat of administrative action;
- 4 (n) Has employed or contracted with a person who has failed to license or has had  
5 a license, registration, or claim of exemption denied, revoked, suspended,  
6 conditioned, restricted, or probated in this Commonwealth or another state;
- 7 (o) Has failed to pay any required fee under this subtitle;
- 8 (p) Has abandoned an application or renewal application by failing to provide the  
9 commissioner any information required under this subtitle, or requested by the  
10 commissioner, to complete an application;
- 11 (q) Has failed to comply with an administrative or court order imposing child  
12 support obligations;
- 13 (r) Has failed to pay state income taxes or to comply with any administrative or  
14 court order directing the payment of state income tax;
- 15 (s) Has failed to properly verify a customer's eligibility for a deferred deposit  
16 transaction;
- 17 (t) Has applied for an adjudication of bankruptcy, reorganization, arrangement, or  
18 other relief under the United States Bankruptcy Code, 11 U.S.C. secs. 101 to  
19 110;
- 20 (u) Has suspended payment of its obligations or has made an assignment for the  
21 benefit of its creditors;
- 22 (v) Has violated any of the recordkeeping and reporting requirements of the  
23 United States government including 31 U.S.C. secs. 5311 to 5332 and 31  
24 C.F.R. pt. 103; or
- 25 (w) No longer meets the requirements under this subtitle to hold a license.
- 26 (2) If the reason for revocation, suspension, restriction, condition, or probation of a  
27 licensee's license at any one location is of general application to all locations

1 operated by a licensee, the commissioner may revoke, suspend, restrict, condition,  
2 or probate all licenses issued to a licensee.

3 (3) Any person who has had a license denied by the commissioner shall not be eligible  
4 to apply for a license under this subtitle until after expiration of one (1) year from  
5 the date of denial.

6 (4) Any person who has had a license revoked by the commissioner shall not be eligible  
7 to apply for a license under this subtitle until after expiration of three (3) years from  
8 the date of revocation. A person whose license has been revoked twice shall be  
9 deemed permanently revoked and shall not again be eligible for a license under this  
10 subtitle.

11 (5) Any person whose license has been denied, suspended, revoked, or surrendered in  
12 lieu of revocation or suspension under this section is prohibited from participating  
13 in any business activity of a licensee under this subtitle and from engaging in any  
14 business activity on the premises where a licensee under this subtitle is conducting  
15 its business.

16 (6) The surrender or expiration of a license shall not affect the person's civil or criminal  
17 liability for acts committed prior to the license surrender or expiration. Revocation,  
18 suspension, refusal to renew, surrender, or expiration of a license shall not impair or  
19 affect the obligation of any preexisting contract between a licensee and a customer.  
20 The surrender or expiration of a license shall not affect a proceeding to suspend or  
21 revoke a license.

22 (7) The commissioner may notify the Department of Revenue, which may institute an  
23 action in the name of the Commonwealth of Kentucky~~[,] in [the Franklin Circuit~~  
24 ~~Court, or] any court of competent jurisdiction~~[,] for the recovery of any civil~~  
25 penalty, fine, cost, or fee assessed or levied under this subtitle.~~

26 (8) The commissioner may file a complaint in~~[the Franklin Circuit Court, or] any court~~  
27 of competent jurisdiction, for a temporary restraining order or injunction against any

1 person, where the commissioner has reason to believe from evidence satisfactory to  
2 the commissioner that such person has violated, or is about to violate, a provision in  
3 this subtitle, for the purpose of restraining and enjoining such person from  
4 continuing or engaging in the violation or doing any act in furtherance thereof. The  
5 court shall have jurisdiction over the proceeding and shall have the power to enter  
6 an order or judgment awarding preliminary or final injunctive relief and any other  
7 relief that the court deems proper. Any person who violates a temporary restraining  
8 order or injunction issued by the court entered as a result of a violation of this  
9 subtitle shall be held in contempt of court and the court may assess a civil penalty in  
10 an amount equivalent to the amounts found in KRS 286.9-991.

11 ➔Section 169. KRS 286.11-013 is amended to read as follows:

- 12 (1) Each application shall be accompanied by a surety bond or other similar security  
13 acceptable to the commissioner, in the amount of at least five hundred thousand  
14 dollars (\$500,000). The commissioner may increase the amount of the surety bond,  
15 or other similar security, to a maximum of five million dollars (\$5,000,000), upon  
16 the basis of the financial condition of an applicant, as evidenced by net worth,  
17 transaction volume, or other relevant criteria that the commissioner may establish  
18 by order or rule.
- 19 (2) The surety bond, or other similar security acceptable to the commissioner, shall be  
20 in a form satisfactory to the commissioner and shall hold and bind the principal and  
21 surety to the Commonwealth of Kentucky for the benefit of any claimants against  
22 the licensee to secure the faithful performance of the obligations of the licensee with  
23 respect to the receipt, handling, transmission, and payment of money in connection  
24 with the sale and issuance of payment instruments or money transmissions by the  
25 licensee and its agent. The aggregate liability of the surety bond or other similar  
26 security accepted shall not exceed the principal sum of the bond.
- 27 (3) A claimant may maintain a civil action on the surety bond, or other similar security

1 acceptable to the commissioner, against a licensee, or the commissioner may  
2 maintain an action on behalf of the claimant, in ~~the Franklin Circuit Court, or in~~  
3 any ~~other~~ court of competent jurisdiction, either in one (1) action or in successive  
4 actions.

5 (4) A licensee shall at all times maintain a surety bond, or other similar security  
6 acceptable to the commissioner, in the amount and type required under subsections  
7 (1) and (2) of this section. The commissioner may, at any time, accept a substitute  
8 or replacement surety bond, or other acceptable similar security, from the licensee,  
9 provided that the requirements of subsections (1) and (2) are met.

10 (5) The surety bond, or other similar security acceptable to the commissioner, shall be  
11 continuous and remain in effect until canceled. The licensee shall provide the  
12 commissioner with at least a thirty (30) day written notice of the intent to cancel the  
13 surety bond or other similar security accepted by the commissioner. The  
14 cancellation of the surety bond or other acceptable security shall not affect any  
15 liability incurred or accrued during the thirty (30) day notice of cancellation period.

16 (6) A surety bond, or other security acceptable to the commissioner, shall remain in  
17 place and cover claims for at least five (5) years after the date of any violation of  
18 this subtitle by the licensee or its agent, or the date the licensee ceases providing  
19 money transmission services in this state, whichever date occurs last. The  
20 commissioner may permit the licensee to reduce or eliminate the surety bond, or  
21 other similar security approved by the commissioner, prior to the expiration of the  
22 five (5) years, to the extent that the amount of the licensee's payment instruments  
23 outstanding in this state are reduced.

24 ➔Section 170. KRS 286.11-043 is amended to read as follows:

25 (1) If the commissioner has reason to believe or determines that a violation of this  
26 subtitle, regulation adopted, or an order issued under this subtitle, by any person,  
27 licensee, or agent has occurred or will occur, then the commissioner may issue an

1 order to show cause why an order to cease and desist should not be issued requiring  
2 the person, licensee, or agent to cease and desist from the violation.

3 (2) The commissioner may enter an order to cease and desist if the person, licensee, or  
4 agent fails to show cause for the violation of the subtitle, regulation, or order within  
5 ten (10) days of the date of the receipt of the order of show cause.

6 (3) The commissioner may petition~~[ the Franklin Circuit Court, or ]~~ any court of  
7 competent jurisdiction~~[, ]~~ for an issuance of a temporary or permanent injunction, or  
8 any other appropriate judicial order, against any person, licensee, or agent that  
9 violates this subtitle, regulation adopted, or order issued.

10 (4) An order issued under this section becomes effective when signed by the  
11 commissioner. The order shall be delivered by certified mail to the last known  
12 address of the person, licensee, or agent. The order shall be deemed received by the  
13 person, licensee, or agent within three (3) days of its mailing with the United States  
14 Postal Service.

15 (5) The commissioner may issue an order against a licensee to cease and desist from  
16 providing money transmission through an agent that is subject of a separate order  
17 from the commissioner.

18 (6) An order to cease and desist remains effective and enforceable pending the  
19 completion of an administrative proceeding.

20 ➔Section 171. KRS 286.11-053 is amended to read as follows:

21 (1) Any person aggrieved by the entry of an order by the commissioner under this  
22 subtitle may file written application for an administrative hearing.

23 (2) The written application for a hearing under this subtitle shall be made in good faith  
24 and shall state the reasons or grounds the person is so aggrieved and the remedy  
25 sought at the hearing.

26 (3) Any application for a hearing under this subtitle shall be filed with the  
27 commissioner within twenty (20) days of the date of the order.

1 (4) If the commissioner finds that the application for a hearing is made in good faith,  
 2 and that the applicant would be aggrieved as claimed if his or her grounds are  
 3 established, then a hearing shall be held in accordance with KRS Chapter 13B.

4 (5) An appeal from the commissioner shall be taken only from a final order.

5 (6) The appeal from a final order issued by the commissioner shall be granted as a  
 6 matter of right to ~~any~~~~[the Franklin]~~ Circuit Court ***of competent jurisdiction.***

7 ➔Section 172. KRS 286.11-055 is amended to read as follows:

8 (1) Any person aggrieved by the conduct of a licensee or agent under this subtitle in  
 9 connection with the licensee's or agent's regulated activities may file a written  
 10 complaint with the commissioner, who may investigate the complaint.

11 (2) In the course of the investigation initiated by a complaint or by the commissioner,  
 12 the commissioner may:

13 (a) Subpoena witnesses;

14 (b) Administer oaths;

15 (c) Examine any individual under oath; and

16 (d) Compel the production of records, books, papers, contracts, or other  
 17 documents relevant to the investigation.

18 (3) If any person fails to testify or to comply with a subpoena from the commissioner  
 19 under this section, then the commissioner may petition~~[the Franklin Circuit Court~~  
 20 ~~or]~~ any court of competent jurisdiction for enforcement.

21 (4) The license of any licensee or the designation of an agent under this subtitle who  
 22 fails to comply with a subpoena of the commissioner may be suspended pending  
 23 compliance with the subpoena.

24 (5) The commissioner may investigate all complaints filed by any person.

25 ➔Section 173. KRS 292.470 is amended to read as follows:

26 Whenever it appears to the commissioner that any person has engaged or is about to  
 27 engage in any act or practice constituting a violation of any provision of this chapter or

1 any rule or order under this chapter, the commissioner may in his or her discretion bring  
2 any or all of the following remedies:

- 3 (1) Issue a cease and desist order, with or without a prior hearing, appealable to *the*  
4 *Franklin Circuit Court or the Circuit Court of the county where the person resides,*  
5 against the person or persons engaged in the prohibited activities directing that  
6 person or persons to cease and desist from illegal activity. In order to issue an order  
7 without a prior hearing, the commissioner must find that the delay in issuing a final  
8 cease and desist order will cause harm to the public;
- 9 (2) An action in the~~Franklin~~ Circuit Court *of the county where the activities*  
10 *occurred*~~or any other court of competent jurisdiction~~ to enjoin any such acts or  
11 practices and to enforce compliance with this chapter or any rule or order under this  
12 chapter. Upon a proper showing a permanent or temporary injunction, restraining  
13 order, or writ of mandamus shall be granted and a receiver or conservator may be  
14 appointed for the defendant or the defendant's assets. Upon a proper showing by the  
15 commissioner, the court may enter an order of rescission, restitution, or  
16 disgorgement directed to any person who has engaged in any act constituting a  
17 violation of this chapter or any rule or order under this chapter. The commissioner  
18 may not be required to post a bond; or
- 19 (3) Issue a final order, after notice and an opportunity for a hearing, containing findings  
20 of fact and conclusions of law, directing any person or persons found to have  
21 engaged in, or about to be engaged in, activity that constitutes a violation of this  
22 chapter or any rule or order under this chapter:
- 23 (a) To cease and desist from the activity;
- 24 (b) To perform any other reasonable mandates directed by the commissioner  
25 pursuant to an appropriate remedy fashioned by the commissioner and  
26 reasonably calculated to carry out the provisions of this chapter; or
- 27 (c) To pay fines assessed under KRS 292.500(14) and costs assessed under KRS

1                   292.500(15).

2                   ➔Section 174. KRS 292.490 is amended to read as follows:

3   Any person aggrieved by a final order of the commissioner may obtain a review of the  
4   order by filing in accordance with KRS Chapter 13B in the Franklin Circuit Court or the  
5   Circuit Court of the county where the person resides, within thirty (30) days after the  
6   entry of the order, a written petition praying that the order be modified or set aside in  
7   whole or in part. A copy of the petition shall be forthwith served upon the commissioner,  
8   and thereupon the commissioner shall certify and file in court a copy of the filing,  
9   testimony, and other evidence upon which the order was entered. When these have been  
10  filed, the court has exclusive jurisdiction to affirm, modify, enforce, or set aside the order,  
11  in whole or in part. No objection to the order may be considered by the court unless it was  
12  urged before the commissioner or there were reasonable grounds for failure to do so. The  
13  findings of the commissioner as to the facts, if supported by substantial evidence, are  
14  conclusive. If either party applies to the court for leave to adduce additional evidence, and  
15  shows to the satisfaction of the court that the additional evidence is material and that  
16  there were reasonable grounds for failure to adduce the evidence in the hearing before the  
17  commissioner, the court may order the additional evidence to be taken before the  
18  commissioner and to be adduced upon the hearing in such manner and upon such  
19  conditions as the court may consider proper. The commissioner may modify his or her  
20  findings as to the facts, by reason of the additional evidence so taken; and the  
21  commissioner shall file any modified or new findings, which if supported by substantial  
22  evidence shall be conclusive, and any recommendation for the modification or setting  
23  aside of the original order. The commencement of proceedings under this section does  
24  not, unless specifically ordered by the court, operate as a stay of the commissioner's order.  
25  An appeal may be taken from the judgment of the ~~Franklin~~ Circuit Court on any such  
26  appeal to the Court of Appeals on the same terms and conditions as an appeal is taken in  
27  civil actions.

1           ➔Section 175. KRS 292.500 is amended to read as follows:

- 2       (1) The administration of the provisions of this chapter shall be under the Department  
3       of Financial Institutions.
- 4       (2) It is unlawful for the commissioner or any of his or her officers or employees to use  
5       for personal benefit any information which is filed with or obtained by the  
6       commissioner and which is not made public. Except as provided in subsection (19)  
7       of this section, no provision of this chapter authorizes the commissioner or any of  
8       the department's officers or employees to disclose any confidential information  
9       except among themselves or when necessary or appropriate in an administrative  
10      hearing or investigation under this chapter. No provision of this chapter either  
11      creates or derogates from any privilege which exists at common law or otherwise  
12      when documentary or other evidence is sought under a subpoena directed to the  
13      commissioner or any of the department's officers or employees.
- 14      (3) The commissioner may promulgate, amend, and repeal administrative regulations,  
15      forms, and orders as are necessary to carry out the provisions of this chapter,  
16      including administrative regulations and forms governing registration statements,  
17      applications, notice filings, and reports and defining any terms, whether or not used  
18      in this chapter, insofar as the definitions are not inconsistent with the provisions of  
19      this chapter. For the purpose of administrative regulations and forms, the  
20      commissioner may classify securities, persons, and matters within his jurisdiction,  
21      and prescribe different requirements for different classes.
- 22      (4) No administrative regulation, form, or order may be promulgated, amended, or  
23      repealed unless the commissioner finds that the action is necessary or appropriate in  
24      the public interest or for the protection of investors and consistent with the purposes  
25      fairly intended by the policy and provision of this chapter. In promulgating  
26      administrative regulations and forms, the commissioner may cooperate with the  
27      securities administrators of the other states and the Securities and Exchange

- 1 Commission with a view to effectuating the policy of this statute to achieve  
2 maximum uniformity in the form and content of registration statement, applications,  
3 notice filings, and reports whenever practicable.
- 4 (5) The commissioner may by administrative regulation or order prescribe the form and  
5 content of financial statements required under this chapter and the circumstances  
6 under which consolidated financial statements shall be certified by certified public  
7 accountants. All financial statements shall be prepared in accordance with generally  
8 accepted accounting standards.
- 9 (6) All administrative regulations and forms of the commissioner shall be published.
- 10 (7) No provision of this chapter imposing any liability applies to any act done or  
11 omitted in good faith in conformity with any administrative regulation, form, or  
12 order of the commissioner, notwithstanding that the administrative regulation, form,  
13 or order may later be amended or repealed or be determined by judicial or other  
14 authority to be invalid for any reason.
- 15 (8) A document is filed when it is received by the commissioner or when the  
16 commissioner receives confirmation that a document has been filed. The  
17 commissioner may accept electronic filings of any documents required to be filed  
18 under this chapter, either in conjunction with paper filings or in place of paper  
19 filings in whole or in part.
- 20 (9) Every administrative hearing shall be conducted in accordance with KRS Chapter  
21 13B and the provisions of this chapter, and shall be public unless the commissioner  
22 in his discretion grants a request joined in by all the respondents that the hearing be  
23 conducted privately.
- 24 (10) The commissioner shall keep a record of all applications for registration and  
25 registration statements and notice filings which are or have been effective under this  
26 chapter and a record of all denial, suspension, or revocation final orders which have  
27 been entered under this chapter.

- 1 (11) The information contained in or filed with any registration statement, application, or  
2 notice filing is a public record subject to the provisions of the Kentucky Open  
3 Records Act.
- 4 (12) Upon request and at reasonable charges as the commissioner prescribes, the  
5 commissioner shall furnish to any person photostatic or other copies (certified under  
6 his seal of office if requested) of any entry in the register or any document which is  
7 a matter of public record. In any administrative hearing or prosecution under this  
8 chapter, any copy so certified is prima facie evidence of the contents of the entry or  
9 document certified.
- 10 (13) The commissioner in his or her discretion may honor requests from interested  
11 persons for interpretative opinions.
- 12 (14) The commissioner may impose civil fines against any person who violates any  
13 provision of this chapter or any rule or order or voluntary agreement entered into  
14 under this chapter. The fine shall not exceed twenty thousand dollars (\$20,000) per  
15 violation, except when the violation is directed at or results in monetary damage to  
16 one (1) or more individuals who are sixty (60) years of age or older, the  
17 commissioner may impose an additional fine not to exceed twenty thousand dollars  
18 (\$20,000) per violation. Each act or transaction which violates this chapter or  
19 administrative regulation, or orders or agreements entered into under this chapter,  
20 shall constitute a separate violation. Any employer or principal shall be jointly and  
21 severally liable for fines imposed in connection with the conduct of employees or  
22 agents.
- 23 (15) The commissioner is authorized to designate that the fines imposed for violations of  
24 this chapter or administrative regulation, or any order or voluntary agreement  
25 entered into pursuant to this chapter, be deposited into the securities fraud  
26 prosecution and prevention fund established in KRS 292.322.
- 27 (16) In addition to any fines imposed under subsection (14) of this section, the

1 commissioner may also assess the costs of any investigation, including attorney's  
2 fees incurred as a result of bringing enforcement actions under the provisions of this  
3 chapter and costs of holding any hearing as a result of an enforcement action. Costs  
4 and attorney's fees may only be imposed if there has been a final determination that  
5 a violation has occurred, and in an amount reasonably related to the costs of  
6 investigation and enforcement for those violations only. Costs and attorney's fees  
7 may be included as part of an agreement in settlement of an enforcement action.

8 (17) If fines, fees, or costs imposed under this section are not paid, then the  
9 commissioner may notify the Department of Revenue, which may institute an action  
10 in the name of the Commonwealth of Kentucky in any~~the Franklin~~ Circuit Court~~,~~  
11 ~~or any other court~~ of competent jurisdiction, for the recovery of the fines, fees, or  
12 costs.

13 (18) The remedies provided by this section are not exclusive and may be sought and  
14 employed in any combination to enforce the provisions of this chapter. The  
15 remedies set forth in this section shall not prohibit or restrict the commissioner from  
16 participating in any way whatsoever with respect to any joint examination,  
17 investigation, enforcement action, settlement, or other legal or regulatory action  
18 with securities administrators of other jurisdictions, the Securities and Exchange  
19 Commission, any self-regulatory organization, or any national securities exchange  
20 or national securities association registered under the Securities Exchange Act of  
21 1934, 15 U.S.C. secs. 78a et seq. Accordingly, the commissioner may, at any time  
22 and in his or her sole discretion, share or cause to be shared by any employee of the  
23 department any information gained pursuant to an examination, investigation, filing,  
24 or from any other source, with other governmental agencies, jurisdictions, or  
25 governmental or self-regulating organizations or entities, to the extent the  
26 commissioner, in his or her sole discretion, deems that the sharing of information is  
27 or will be reasonably necessary or useful to the department or other agency in

1 carrying out its regulatory responsibilities.

2 (19) The following materials, documentation, and other information are deemed to have  
3 been confidentially disclosed to the department and to be confidential information  
4 under the Kentucky Open Records Act and, specifically, the provisions of KRS  
5 61.878(1)(b), to the extent described in this subsection and except as provided  
6 further in administrative regulation:

7 (a) Any materials, documentation, or other information provided to or otherwise  
8 obtained by the department during the course of a routine compliance  
9 examination of any broker-dealer, agent, investment adviser, or investment  
10 adviser representative;

11 (b) Any materials, documentation, or other information that is part of an ongoing  
12 investigation; and

13 (c) Any materials, documentation, or other information provided to or otherwise  
14 obtained by the department from any other regulatory or governmental body,  
15 including but not limited to any other state securities regulator, the Securities  
16 and Exchange Commission, any self-regulatory organization, any state or  
17 federal criminal agency, and any criminal prosecutorial body, and which the  
18 other body expressly deems to be confidential.

19 (20) (a) The confidential information specified in subsection (19)(a) and (b) of this  
20 section may be released when required in a proper legal proceeding in which a  
21 subpoena and protective order ensuring confidentiality has been issued by the  
22 tribunal.

23 (b) The confidential information specified in subsection (19)(c) of this section  
24 must be obtained from the entity which provided the information.

25 ➔Section 176. KRS 299.190 is amended to read as follows:

26 When the commissioner has given the notice required by KRS 299.180, he or she shall  
27 proceed without delay to investigate the condition of the company, and shall have full

1 power, in person or by deputy, to examine its books, papers and accounts, and to  
2 examine, under oath, its officers, agents, clerks and policyholders, and other persons  
3 having knowledge of its business. If it appears to the commissioner that the liabilities of  
4 the company exceed its resources, and that it cannot within a reasonable time, not more  
5 than three (3) months from the date of the original default, pay its accrued indebtedness in  
6 full, the commissioner shall report the facts to the Attorney General, who shall, upon the  
7 commissioner's report, apply to the Judge of ~~the Franklin Circuit Court, or to the Judge~~  
8 ~~of~~ the Circuit Court of the county in which the company is located, for an order closing  
9 the business of the company and appointing a receiver for the distribution of its assets  
10 among creditors. No such final order shall be made until the company has had ten (10)  
11 days' notice of the application and an opportunity to be heard. Upon hearing the matter,  
12 the court may make any order that the interests of the company and the public require.

13 ➔Section 177. KRS 303.150 is amended to read as follows:

14 (1) If, upon examination of a burial association by the commissioner or any person  
15 designated by him to make the examination, it appears that the liabilities of the  
16 association exceed its resources, and it cannot in a reasonable time, not more than  
17 three (3) months from the date of the original default, pay its accrued indebtedness  
18 in full, he shall report the facts to the Attorney General. The Attorney General shall,  
19 upon the commissioner's report, apply to the Judge ~~of the Franklin Circuit Court or~~  
20 ~~to the Judge~~ of the Circuit Court of the county wherein the association is located  
21 for an order closing the business of the association, and appointing a receiver for the  
22 distribution of its assets among creditors. No final order shall be made until the  
23 association has had ten (10) days' notice of the application and an opportunity to be  
24 heard. Upon hearing the matter, the court may make any order which the interest of  
25 the association and the public may require.

26 (2) When any burial association discontinues business, or when for any cause a  
27 dissolution is decreed, or when for sixty (60) days any judgment remains

1           unsatisfied, the Circuit Judge in any county in which the association has transacted  
2           business may appoint a receiver to distribute its assets among its policyholders for  
3           any persons having claims against the association. The assets shall be applied first,  
4           on accrued or natural claims or policies; second, on claims of any other kind or  
5           character; third, in payment to policyholders of all dues paid in by them; and, if a  
6           balance remains after payment of the above named claims, then that sum shall be  
7           returned to the burial association.

8           ➔Section 178. KRS 304.2-370 is amended to read as follows:

- 9           (1) An appeal from the commissioner shall be taken only from a final order on hearing  
10           and in accordance with KRS Chapter 13B.
- 11           (2) The appeal shall be granted as a matter of right, and shall be taken to the Franklin  
12           Circuit Court *or the Circuit Court of any county where a party resides or has a*  
13           *principal place of business.*

14           ➔Section 179. KRS 304.2-440 is amended to read as follows:

- 15           (1) As used in this section, "insurer" means assessment or cooperative insurers,  
16           insurers, fraternal benefit societies, nonprofit hospital, medical-surgical, dental, and  
17           health service corporations, health maintenance organizations, and prepaid dental  
18           plan organizations.
- 19           (2) If the commissioner finds that there are insufficient funds for operations of the  
20           department, the commissioner may make an assessment on all insurers not to  
21           exceed .000235 of net direct written premium from Kentucky as reported in  
22           insurers' annual statements for the immediately preceding calendar year. In making  
23           each assessment, the commissioner may establish a minimum assessment.  
24           Assessments made pursuant to this section shall be in addition to all other taxes,  
25           assessments, and fees.
- 26           (3) Overdue payment of any assessments shall bear interest at the tax interest rate as set  
27           forth in KRS 131.010(6) from the date due until paid. Any unpaid assessment may

1 be recovered in an action brought thereon in the name of the department in ~~the~~  
2 ~~Franklin Circuit Court or in~~ any ~~other~~ court of competent~~appropriate~~  
3 jurisdiction. Such interest penalty is separate from other penalties applicable to  
4 violations of KRS Chapter 299 and this chapter and such an action is separate from  
5 any other means of collecting an assessment under KRS Chapter 299 or this  
6 chapter.

7 (4) All funds derived from assessments made pursuant to this section shall be deposited  
8 in the insurance regulatory trust fund. However, funds derived from assessments  
9 made pursuant to this section shall not lapse to the general fund, but shall at all  
10 times be available to defray expenses of the department in discharge of its  
11 administrative and regulatory powers.

12 ➔Section 180. KRS 304.11-030 is amended to read as follows:

13 (1) It shall be unlawful for any company to enter into a contract of insurance as an  
14 insurer or to transact insurance business in this state, as set forth in subsection (2) of  
15 this section without a certificate of authority from the commissioner; provided, that  
16 this subsection shall not apply to:

17 (a) The lawful transaction of surplus lines insurance;

18 (b) The lawful transaction of reinsurance by insurers;

19 (c) Transactions in this state involving a policy lawfully solicited, written, and  
20 delivered outside of this state covering only subjects of insurance not resident,  
21 located, or expressly to be performed in this state at the time of issuance, and  
22 which transactions are subsequent to the issuance of such policy;

23 (d) Transactions involving contracts of insurance independently procured through  
24 negotiations occurring entirely outside of this state which are reported and on  
25 which premium tax is paid;

26 (e) Attorneys acting in the ordinary relation of attorney and client in the  
27 adjustment of claims or losses;

- 1 (f) Transactions in this state involving group life and group health or blanket  
2 health insurance or group annuities where the master policy of such groups  
3 was lawfully issued and delivered in a state in which the company was  
4 authorized to do an insurance business;
- 5 (g) Transactions in this state involving any policy of insurance issued prior to July  
6 1, 1968; and
- 7 (h) Insurance on vessels, craft or hulls, cargoes, marine builder's risk, marine  
8 protection and indemnity or other risk, including strikes and war risks  
9 commonly insured under ocean or wet marine forms of policy.
- 10 (2) Any of the following acts in this state effected by mail or otherwise is defined to be  
11 doing an insurance business in this state. The venue of an act committed by mail is  
12 at the point where the matter transmitted by mail is delivered and takes effect.  
13 Unless otherwise indicated, the term "insurer" as used in this section includes all  
14 corporations, associations, partnerships, and individuals, engaged as principals in  
15 the business of insurance and also includes interinsurance exchanges and mutual  
16 benefit societies:
- 17 (a) The making of or proposing to make, as an insurer, an insurance contract;
- 18 (b) The making of or proposing to make, as guarantor or surety, any contract of  
19 guaranty or suretyship as a vocation and not merely incidental to any other  
20 legitimate business or activity of the guarantor or surety;
- 21 (c) The taking or receiving of any application for insurance;
- 22 (d) The receiving or collection of any premiums, commissions, membership fees,  
23 assessments, dues or other consideration for any insurance or any part thereof;
- 24 (e) The issuance or delivery of contracts of insurance to residents of this state or  
25 to persons authorized to do business in this state;
- 26 (f) Directly or indirectly acting as an agent for, or otherwise representing or  
27 aiding on behalf of another, any person or insurer in the solicitation,

1 negotiation, procurement or effectuation of insurance or renewals thereof or in  
2 the dissemination of information as to coverage or rates, or forwarding of  
3 applications, or delivery of policies or contracts, or inspection of risks, or  
4 fixing of rates or investigation or adjustment of claims or losses, or in the  
5 transaction of matters subsequent to effectuation of the contract and arising  
6 out of it, or in any other manner representing or assisting a person or insurer in  
7 the transaction of insurance with respect to subjects of insurance resident,  
8 located or to be performed in this state. The provisions of this subsection shall  
9 not operate to prohibit full-time salaried employees of a corporate insured  
10 from acting in the capacity of an insurance manager or buyer in placing  
11 insurance in behalf of such employer;

12 (g) The doing of any kind of insurance business specifically recognized as  
13 constituting the doing of an insurance business within the meaning of the  
14 statutes relating to insurance;

15 (h) The doing or proposing to do any insurance business in substance equivalent  
16 to any of the foregoing in a manner designed to evade the provisions of this  
17 code; and

18 (i) Any other transactions of business in this state by an insurer.

19 (3) (a) The failure of a company transacting insurance business in Kentucky to obtain  
20 a certificate of authority shall not impair the validity of any act or contract of  
21 such company and shall not prevent such company from defending any action  
22 at law or suit in equity in any court of this state.

23 (b) In event of failure of any such unauthorized insurer to pay any claim or loss  
24 within the provisions of such insurance contract, any person who assisted or in  
25 any manner aided directly or indirectly in the procurement of such insurance  
26 contract shall be liable to the insured for the full amount of the claim or loss in  
27 the manner provided by the provisions of such insurance contract.

1 (4) Whenever the commissioner believes, from evidence satisfactory to him or her, that  
2 any company is violating or about to violate the provisions of these sections, the  
3 commissioner may, through the Attorney General of this state, cause a complaint to  
4 be filed in the Circuit Court of any county where the defendant may be found or  
5 where a violation has occurred or is about to occur~~[Franklin County]~~ to enjoin and  
6 restrain such company from continuing such violation or engaging therein or doing  
7 any act in furtherance thereof. The court shall have jurisdiction of the proceeding  
8 and shall have the power to make and enter an order or judgment awarding such  
9 preliminary or final injunctive relief as in its judgment is proper.

10 ➔Section 181. KRS 304.13-365 is amended to read as follows:

11 (1) Within thirty (30) days of the filing of an appeal, the commissioner shall hold an  
12 administrative hearing to be conducted in accordance with KRS 304.2-310.  
13 Whenever the commissioner determines that a fire protection classification is  
14 unreasonable, he or she shall by final order prescribe a reasonable classification to  
15 be followed for a period not to exceed one (1) year. A subsequent evaluation by the  
16 advisory organization or insurer shall not be permitted until the expiration of the  
17 period set by the commissioner.

18 (2) The commissioner may compel obedience to its final orders by proper proceedings  
19 in~~[the Franklin Circuit Court or]~~ any~~[other]~~ court of competent jurisdiction, and  
20 these proceedings shall have priority over all pending cases.

21 ➔Section 182. KRS 304.29-301 is amended to read as follows:

22 (1) If the commissioner, upon investigation, finds that a domestic society:

- 23 (a) Has exceeded its powers;
- 24 (b) Has failed to comply with any provision of this subtitle;
- 25 (c) Is not fulfilling its contracts in good faith;
- 26 (d) Has a membership of less than four hundred (400) after an existence of one  
27 (1) year or more; or

- 1 (e) Is conducting business fraudulently or in a manner hazardous to its members,  
2 creditors, the public or the business,  
3 the commissioner shall notify the society of the deficiency or deficiencies and state  
4 in writing the reasons for his or her dissatisfaction. The commissioner shall issue a  
5 written notice to the society requiring that the deficiency or deficiencies which exist  
6 be corrected. After the notice, the society shall have a thirty (30) day period in  
7 which to comply with the commissioner's request for correction; and if the society  
8 fails to comply, the commissioner shall notify the society of the findings of  
9 noncompliance and require the society to show cause on a date named why it should  
10 not be enjoined from carrying on any business until the violation complained of  
11 shall have been corrected, or why an action in ~~Franklin~~ Circuit Court should not  
12 be commenced against the society.
- 13 (2) If on that date the society does not present good and sufficient reasons why it should  
14 not be so enjoined or why such action should not be commenced, the commissioner  
15 may present the facts to the Attorney General who shall, if he or she deems the  
16 circumstances warrant, commence an action to enjoin the society from transacting  
17 business.
- 18 (3) The court shall notify the officers of the society of a hearing. If after a full hearing it  
19 appears that the society should be so enjoined or liquidated or a receiver appointed,  
20 the court shall enter the necessary order. No society so enjoined shall have the  
21 authority to do business until:
- 22 (a) The commissioner finds that the violation complained of has been corrected;  
23 (b) The costs of the action shall have been paid by the society, if the court finds  
24 that the society was in default as charged;  
25 (c) The court has dissolved its injunction; and  
26 (d) The commissioner has reinstated the certificate of authority.
- 27 (4) If the court orders the society liquidated, it shall be enjoined from carrying on any

1 further business. The receiver of the society shall take possession of the books,  
2 papers, money and other assets of the society, and, under the direction of the court,  
3 close the affairs of the society and distribute its funds to those entitled to them.

4 (5) No action under this section shall be recognized in any court of this state unless  
5 brought by the Attorney General upon request of the commissioner. If a receiver is  
6 to be appointed for a domestic society, the court shall appoint the commissioner as  
7 receiver.

8 (6) The provisions of this section relating to hearing by the commissioner, action by the  
9 Attorney General at the request of the commissioner of insurance, hearing by the  
10 court, injunction and receivership shall be applicable to a society which shall  
11 voluntarily determine to discontinue business.

12 ➔Section 183. KRS 304.30-050 is amended to read as follows:

13 (1) The commissioner may revoke or suspend the license of any premium finance  
14 company when and if, after investigation, it appears to the commissioner that:

15 (a) Any license issued to the company was obtained by fraud;

16 (b) There was any misrepresentation in the application for the license;

17 (c) The holder of the license has otherwise shown himself or herself  
18 untrustworthy or incompetent to act as a premium finance company;

19 (d) The company has violated any of the provisions of this chapter; or

20 (e) The company has been rebating part of the service charge as allowed and  
21 permitted by KRS 304.30-090 to any insurance agent or any employee of an  
22 insurance agent or to any other person as an inducement to the financing of  
23 any insurance policy with the premium finance company, except as provided  
24 in subsection (2) of this section.

25 (2) Transactions related to the financing of insurance premiums for personal and  
26 commercial lines of insurance shall not be deemed a rebate of the service charge in  
27 violation of subsection (1)(e) of this section if:

- 1 (a) The transaction is arranged by an insurance agent who discloses in writing to  
2 the insured:
- 3 1. The source of any compensation to be received by the agent as a result  
4 of the insured entering into a premium finance agreement; and
- 5 2. The amount of compensation, as a percentage of the premiums financed,  
6 if the amount of compensation received by the agent exceeds two  
7 percent (2%) of the premium amount financed; and
- 8 (b) The amount of compensation is based only on actual premiums financed and  
9 is not paid as:
- 10 1. An advance on future premium finance agreements; or  
11 2. A form of bonus for the agent agreeing to place finance agreements with  
12 the premium finance company.
- 13 (3) Before the commissioner shall revoke, suspend, or refuse to renew the license of  
14 any premium finance company, he or she shall give to the person an opportunity for  
15 a hearing to be conducted in accordance with KRS Chapter 13B. In lieu of or in  
16 addition to revoking or suspending the license for any of the causes enumerated in  
17 the section, after hearing as provided in this subsection, the commissioner may  
18 subject the company to a penalty specified in Subtitle 99 of this chapter when the  
19 commissioner determines that the public interest would not be harmed by the  
20 continued operation of the company. The amount of any penalty shall be paid by the  
21 company through the department of the commissioner to the State Treasurer.
- 22 (4) If any applicant or licensee is aggrieved by any final order of the commissioner, the  
23 applicant or licensee shall have the right to appeal to the ~~Franklin~~ Circuit Court *of*  
24 *the county where the person resides or the county containing the person's*  
25 *licensed business premises* in accordance with KRS Chapter 13B.
- 26 ➔Section 184. KRS 304.33-030 is amended to read as follows:

27 For the purposes of this subtitle:

- 1 (1) "Agent" means all persons who have collected or are holding premiums or other  
2 assets of the insurer, including but not limited to brokers, intermediaries, managing  
3 general agents, underwriting managers, and reinsurance managers, and any other  
4 persons who have entered into a fiduciary relationship with the insurer subject to  
5 delinquency proceedings, including but not limited to persons holding licenses  
6 under Subtitles 9, 32, 38, and 43 of KRS Chapter 304;
- 7 (2) "Commissioner" means the commissioner of the Department of Insurance of this  
8 state;
- 9 (3) "Receiver" means receiver, liquidator, rehabilitator, or conservator, as the context  
10 requires;
- 11 (4) "Insurer" has the meaning defined in Subtitle 1 of this chapter. For purposes of this  
12 subtitle, all other persons included under KRS 304.33-020 shall be deemed to be  
13 insurers;
- 14 (5) "Delinquency proceeding" means any proceeding commenced against an insurer for  
15 the purpose of liquidating, rehabilitating, reorganizing, or conserving such insurer,  
16 and any summary proceeding under KRS 304.33-110 to 304.33-130, inclusive;
- 17 (6) "State" has the meaning defined in Subtitle 1 of this chapter;
- 18 (7) "Foreign country" means territory not in any state;
- 19 (8) "Domiciliary state" means the state in which an insurer is incorporated or organized  
20 or, in the case of an alien insurer, the state in which the insurer has, at the  
21 commencement of delinquency proceedings, the largest amount of its assets held in  
22 trust and on deposit for the benefit of policyholders and creditors in the United  
23 States;
- 24 (9) "Ancillary state" means any state other than a domiciliary state;
- 25 (10) "Reciprocal state" means any state other than this state in which in substance and  
26 effect subsection (1) of KRS 304.33-200, subsections (1) and (3) of KRS 304.33-  
27 530, KRS 304.33-540, and KRS 304.33-560 to 304.33-590, inclusive, are in force,

- 1 and in which provisions are in force requiring that the commissioner be the receiver  
2 of a delinquent insurer, and in which some provision exists for the avoidance of  
3 fraudulent conveyances and preferential transfers;
- 4 (11) "General assets" means all property, real, personal or otherwise, not specifically  
5 mortgaged, pledged, deposited or otherwise encumbered for the security or benefit  
6 of specified persons or limited classes of persons, and as to specifically encumbered  
7 property the term includes all such property or its proceeds in excess of the amount  
8 necessary to discharge the sums secured thereby, except as otherwise expressly  
9 provided in this subtitle. Assets held in trust and on deposit for the security or  
10 benefit of all policyholders or all policyholders and creditors, in more than a single  
11 state, shall be treated as general assets;
- 12 (12) "Reinsurance intermediary" means any person who acts as a broker in soliciting,  
13 negotiating, or procuring the making of any reinsurance contract or binder, or acts  
14 as an agent in accepting any reinsurance contract or binder on behalf of an insurer;
- 15 (13) "Court" means the ~~Franklin~~ Circuit Court **having competent jurisdiction**;
- 16 (14) "Preferred claim" means any claim with respect to which the law accords priority of  
17 payment from the general assets of the insurer;
- 18 (15) "Special deposit claim" means any claim secured by a deposit made pursuant to law  
19 for the security or benefit of one (1) or more limited classes of persons, but not  
20 including any claim secured by general assets;
- 21 (16) "Secured claim" means any claim secured by mortgage, trust deed, pledge, deposit  
22 as security, escrow or otherwise, but not including special deposit claims or claims  
23 against general assets including, but not limited to, claims of setoff, counterclaim,  
24 or recoupment against obligations to pay premiums to the insurer. The term also  
25 includes claims which have become liens upon specific assets by reason of judicial  
26 process, except where they have been invalidated;
- 27 (17) "Premium" has the meaning set forth in Subtitle 14 of this chapter;

- 1 (18) "Insolvency" means that the insurer is unable to pay its debts or meet its obligations  
2 as they mature or that its assets do not exceed its liabilities plus the greater of:
- 3 (a) Any capital and surplus required by law to be constantly maintained; or  
4 (b) Its authorized and issued capital stock. For purposes of this subsection,  
5 "assets" includes one-half (1/2) of the maximum total assessment liability of  
6 the policyholders of the insurer, and "liabilities" includes reserves required by  
7 law. For policies issued on the basis of unlimited assessment liability, the  
8 maximum total liability, for purposes of determining solvency only, shall be  
9 deemed to be that amount that could be obtained if there were one hundred  
10 percent (100%) collection of an assessment at the rate of ten (10) mills;
- 11 (19) "Fair consideration" is given for property or an obligation:
- 12 (a) When in exchange for such property or obligation, as a fair equivalent  
13 therefor, and in good faith, property is conveyed or services are rendered or  
14 obligation is incurred or an antecedent debt is satisfied; or  
15 (b) When such property or obligation is received in good faith to secure a present  
16 advance or antecedent debt in amount not disproportionately small as  
17 compared to the value of the property or obligation obtained;
- 18 (20) "Creditor" is a person having any claim, whether matured or unmatured, liquidated  
19 or unliquidated, secured or unsecured, absolute, fixed or contingent;
- 20 (21) "Transfer" includes the sale and every other method, direct or indirect, of disposing  
21 of or of parting with property or with an interest therein or with the possession  
22 thereof or of fixing a lien upon property or upon an interest therein, absolutely or  
23 conditionally, voluntarily or involuntarily, by or without judicial proceedings. The  
24 retention of a security title to property delivered to a debtor shall be deemed a  
25 transfer suffered by the debtor;
- 26 (22) "Doing business" has the meaning designated in Subtitle 1 of this chapter; and  
27 (23) "Guaranty association" means the Kentucky Insurance Guaranty Association, the

1 Kentucky Life and Health Insurance Guaranty Association and any other similar  
2 entity now or hereafter created by the Legislature of this state for the payment of  
3 claims of insolvent insurers. "Foreign guaranty association" means any similar  
4 entities now in existence in, or hereafter created by the legislature of, any other  
5 state.

6 ➔Section 185. KRS 304.33-190 is amended to read as follows:

7 (1) The commissioner may apply by petition to the Circuit Court~~[for Franklin County~~  
8 ~~or]~~ for the county in which the principal office of the insurer is located for an order  
9 directing him or her to liquidate a domestic insurer or an alien insurer domiciled in  
10 this state on any one (1) or more of the following grounds:

11 (a) Any ground on which the commissioner may apply for an order of  
12 rehabilitation under KRS 304.33-140, whenever he or she believes that  
13 attempts to rehabilitate the insurer would substantially increase the risk of loss  
14 to its creditors, its policyholders or the public, or would be futile, or that  
15 rehabilitators would serve no useful purpose;

16 (b) That the insurer has commenced, or within the previous year has attempted to  
17 commence, voluntary liquidation otherwise than under the insurance laws of  
18 this state;

19 (c) That the holders of two-thirds (2/3) of the shares entitled to vote, or two-thirds  
20 (2/3) of the members or policyholders entitled to vote in an insurer controlled  
21 by its members or policyholders, have consented to a petition.

22 (2) Upon the issuance of an order directing the commissioner to liquidate a domestic  
23 insurer, the court shall have exclusive jurisdiction over all matters relating to the  
24 liquidation, including but not limited to, the proper scope and application of the  
25 provisions of this subtitle to the liquidation as well as all interpretation and  
26 enforceability of all contracts of insurance to which the insurer is a party.

27 ➔Section 186. KRS 304.33-510 is amended to read as follows:

- 1 (1) Grounds for petition. If a domiciliary liquidator has not been appointed, the  
2 commissioner may apply to the ~~Franklin Circuit~~ court by petition for an order  
3 directing him or her to conserve the property of an alien insurer not domiciled in  
4 this state or a foreign insurer on any one (1) or more of the following grounds:
- 5 (a) Any of the grounds in KRS 304.33-140;
  - 6 (b) Any of the grounds in KRS 304.33-190;
  - 7 (c) That any of its property has been sequestered by official action in its  
8 domiciliary state, or in any other state;
  - 9 (d) That enough of its property has been sequestered in a foreign country to give  
10 reasonable cause to fear that the insurer is or may become insolvent;
  - 11 (e) That:
    - 12 1. Its certificate of authority to do business in this state has been revoked or  
13 that none was ever issued; and
    - 14 2. There are residents of this state with outstanding claims or outstanding  
15 policies.
- 16 (2) Terms of order. The court may issue the order in whatever terms it deems  
17 appropriate. The filing or recording of the order with any county clerk in this state  
18 imparts the same notice as a deed, bill of sale or other evidence of title duly filed or  
19 recorded with that county clerk.
- 20 (3) Transformation to liquidation or ancillary receivership. The conservator may at any  
21 time petition for and the court may grant an order under KRS 304.33-520 to  
22 liquidate the assets of a foreign or alien insurer under conservation or, if  
23 appropriate, for an order under KRS 304.33-540 to be appointed ancillary receiver.
- 24 (4) Order to return to insurer. The conservator may at any time petition the court for an  
25 order terminating conservation of an insurer. If the court finds that the conservation  
26 is no longer necessary, it shall order that the insurer be restored to possession of its  
27 property and the control of its business. The court may also make such finding and

1 issue such order at any time upon its own motion.

2 ➔Section 187. KRS 304.33-520 is amended to read as follows:

- 3 (1) Ground for petition. If no domiciliary receiver has been appointed, the  
4 commissioner may apply to the ~~Franklin Circuit~~ court by petition for an order  
5 directing the commissioner to liquidate the assets found in this state of a foreign  
6 insurer or an alien insurer not domiciled in this state, on any of the following  
7 grounds:
- 8 (a) Any of the grounds in KRS 304.33-140;
  - 9 (b) Any of the grounds in KRS 304.33-190; and
  - 10 (c) Any of the grounds in KRS 304.33-510.
- 11 (2) Terms of order. If it appears to the court that the best interests of creditors,  
12 policyholders and the public so require, the court may issue an order to liquidate in  
13 whatever terms it deems appropriate. The filing or recording of the order with any  
14 county clerk in this state imparts the same notice as a deed, bill of sale, or other  
15 evidence of title duly filed or recorded with that county clerk.
- 16 (3) Conversion to ancillary proceeding. If a domiciliary liquidator is appointed in a  
17 reciprocal state while a liquidation is proceeding under this section, the liquidator  
18 under this section shall thereafter act as ancillary receiver under KRS 304.33-540. If  
19 a domiciliary liquidator is appointed in a nonreciprocal state while a liquidation is  
20 proceeding under this section, the liquidator under this section may petition the  
21 court for permission to act as ancillary receiver under KRS 304.33-540.
- 22 (4) Federal receivership. On the same grounds as are specified in subsection (1) of this  
23 section, the commissioner may petition any appropriate federal District Court to be  
24 appointed receiver to liquidate that portion of the insurer's assets and business over  
25 which the court will exercise jurisdiction; or any lesser part thereof that the  
26 commissioner deems desirable for the protection of the policyholders and creditors  
27 in this state. The commissioner may accept appointment as federal receiver if

1 another person files a petition.

2 ➔Section 188. KRS 304.33-530 is amended to read as follows:

- 3 (1) Property rights and title: reciprocal state. The domiciliary liquidator of an insurer  
4 domiciled in a reciprocal state shall be vested by operation of law with the title to  
5 all of the property, contracts and rights of action, and all of the books, accounts and  
6 other records of the insurer located in this state. The date of vesting shall be the date  
7 of the filing of the petition, if that date is specified by the domiciliary law for the  
8 vesting of property in the domiciliary state; otherwise, the date of vesting shall be  
9 the date of entry of the order directing possession to be taken. The domiciliary  
10 liquidator shall have the immediate right to recover balances due from agents and to  
11 obtain possession of the books, accounts and other records of the insurer located in  
12 this state. The domiciliary liquidator also shall have the right to recover the other  
13 assets of the insurer located in this state, subject to subsection (3) of KRS 304.33-  
14 540.
- 15 (2) Property rights and title: state not a reciprocal state. If a domiciliary liquidator is  
16 appointed for an insurer not domiciled in a reciprocal state, the commissioner of  
17 this state shall be vested by operation of law with the title to all of the property,  
18 contracts and rights of action, and all of the books, accounts and other records of the  
19 insurer located in this state, at the same time that the domiciliary liquidator is vested  
20 with title in the domiciling state. The commissioner of this state may petition for a  
21 conservation or liquidation order under KRS 304.33-510 or 304.33-520, or for an  
22 ancillary receivership under KRS 304.33-540, or after approval by the ~~Franklin~~  
23 ~~County~~ Circuit Court, may transfer title to the domiciliary liquidator, as the  
24 interests of justice and the equitable distribution of the assets require.
- 25 (3) Filing claims. Claimants residing in this state may file claims with the liquidator or  
26 ancillary receiver, if any, in this state or with the domiciliary liquidator, if the  
27 domiciliary law permits. The claims must be filed on or before the last date fixed

1 for the filing of claims in the domiciliary liquidation proceedings.

2 ➔Section 189. KRS 304.33-540 is amended to read as follows:

- 3 (1) Appointment of ancillary receiver in this state. If a domiciliary liquidator has been  
4 appointed for an insurer not domiciled in this state, the commissioner shall file a  
5 petition with the ~~Franklin Circuit~~ court requesting appointment as ancillary  
6 receiver in this state:
- 7 (a) If the commissioner finds that there are sufficient assets of the insurer located  
8 in this state to justify the appointment of an ancillary receiver;
  - 9 (b) If ten (10) or more persons resident in this state having claims against the  
10 insurer file a petition with the commissioner requesting appointment of an  
11 ancillary receiver; or
  - 12 (c) If the protection of creditors or policyholders in this state so requires.
- 13 (2) Terms of order. The court may issue an order appointing an ancillary receiver in  
14 whatever terms it deems appropriate. The filing or recording of the order with any  
15 county clerk in this state imparts the same notice as a deed, bill of sale or other  
16 evidence of title duly filed or recorded with that county clerk.
- 17 (3) Property rights and title: ancillary receivers in this state. When a domiciliary  
18 liquidator has been appointed in a reciprocal state the ancillary receiver appointed in  
19 this state under subsection (1) of this section shall have the sole right to recover all  
20 the assets of the insurer in this state not already recovered by the domiciliary  
21 liquidator, except that the domiciliary liquidator shall be entitled to and have the  
22 sole right to recover balances due from agents and the books, accounts and other  
23 records of the insurer. The ancillary receiver shall have the right to recover balances  
24 due from agents and books, accounts and other records of the insurer, if such action  
25 is necessary to protect the assets because of inaction by the domiciliary liquidator.  
26 The ancillary receiver shall, as soon as practicable, liquidate from their respective  
27 securities those special deposit claims and secured claims which are proved and

1 allowed in the ancillary proceedings in this state, and shall pay the necessary  
2 expenses of the proceedings. The ancillary receiver shall promptly transfer all  
3 remaining assets to the domiciliary liquidator. Subject to this section, the ancillary  
4 receiver and his or her deputies shall have the same powers and be subject to the  
5 same duties with respect to the administration of assets as a liquidator of an insurer  
6 domiciled in this state.

7 (4) Property rights and title: foreign ancillary receivers. When a domiciliary liquidator  
8 has been appointed in this state, ancillary receivers appointed in reciprocal states  
9 shall have, as to assets and books, accounts and other records located in their  
10 respective states, corresponding rights and powers to those prescribed in subsection  
11 (3) of this section for ancillary receivers appointed in this state.

12 ➔Section 190. KRS 304.37-100 is amended to read as follows:

13 (1) Any person aggrieved by any act, determination, rule, regulation, order, or any other  
14 action of the commissioner pursuant to this subtitle, may file appropriate  
15 proceedings in any~~[the Franklin]~~ Circuit Court~~[or other court]~~ of competent  
16 jurisdiction for proper relief.

17 (2) The filing of an appeal pursuant to this section or other court proceeding shall not  
18 stay the application of such order or other action of the commissioner unless the  
19 court, after giving notice to the parties and an opportunity to be heard, determines  
20 that such a stay would not be detrimental to the interest of policyholders,  
21 shareholders, creditors, or the public.

22 (3) Any person aggrieved by any failure of the commissioner to act or make a  
23 determination required by this subtitle may petition any~~[the Franklin]~~ Circuit Court  
24 **of competent jurisdiction** for a mandatory injunction or other injunctive relief  
25 directing the commissioner to act or make such determination forthwith.

26 ➔Section 191. KRS 304.37-150 is amended to read as follows:

27 (1) No security which is the subject of any agreement or arrangement regarding

1 acquisition, or which is acquired or to be acquired, in contravention of the  
2 provisions of this chapter or of any rule, administrative regulation, or order issued  
3 by the commissioner may be voted at any shareholders' meeting, or may be counted  
4 for quorum purposes, and any action of shareholders requiring the affirmative vote  
5 of a percentage of shares may be taken as though the securities were not issued and  
6 outstanding; but no action taken at the meeting shall be invalidated by the voting of  
7 the securities, unless the action would materially affect control of the insurer or  
8 unless the courts of this state have so ordered. If an insurer or the commissioner has  
9 reason to believe that any security of the insurer has been or is about to be acquired  
10 in contravention of the provisions of this chapter or of any rule, administrative  
11 regulation, or order issued by the commissioner, the insurer or the commissioner  
12 may apply to the Circuit Court for the county in which the insurer has its principal  
13 place of business to enjoin any offer, request, invitation, agreement, or acquisition  
14 made in contravention of KRS 304.37-130 or any other provision of this chapter, or  
15 any rule, administrative regulation, or order issued by the commissioner to enjoin  
16 the voting of any security so acquired, to void any vote of the security already cast  
17 at any meeting of shareholders, and for any other equitable relief as required by the  
18 nature of the case and the interest of the insurer's policyholders, creditors,  
19 shareholders, or the public.

20 (2) In any case where a person has acquired or is proposing to acquire any voting  
21 securities in violation of this chapter or any rule, administrative regulation, or order  
22 issued by the commissioner, ~~the Circuit Court for Franklin County or~~ the Circuit  
23 Court for the county in which the insurer has its principal place of business may,  
24 upon notice the court deems appropriate, upon the application of the insurer or the  
25 commissioner seize or sequester any voting securities of the insurer owned directly  
26 or indirectly by the person, and issue the appropriate order to effectuate the  
27 provisions of this subtitle.

1 (3) Notwithstanding any other provisions of law, for the purposes of this chapter the  
2 situs of the ownership of the securities of domestic insurers shall be deemed to be in  
3 this state.

4 ➔Section 192. KRS 304.40-100 is amended to read as follows:

5 (1) Any applicant to the association, any person insured pursuant to KRS 304.40-030 to  
6 304.40-140, or their representatives, or any affected insurer, may appeal to the  
7 commissioner within thirty (30) days after any rule, action, or decision by or on  
8 behalf of the association, with respect to those items the plan of operation defines as  
9 appealable matters. Upon appeal, an administrative hearing shall be conducted in  
10 accordance with KRS Chapter 13B.

11 (2) All final orders of the commissioner made pursuant to this subtitle are subject to  
12 appeal to any~~the Franklin~~ Circuit Court *of competent jurisdiction* in accordance  
13 with KRS Chapter 13B.

14 ➔Section 193. KRS 304.41-100 is amended to read as follows:

15 (1) Any applicant to the association, any person insured pursuant to this subtitle, or  
16 their representatives, or any affected insurer, may appeal to the commissioner  
17 within thirty (30) days after any rule, action, or decision by or on behalf of the  
18 association, with respect to those items the plan of operation defines as appealable  
19 matters. Upon appeal, an administrative hearing shall be conducted in accordance  
20 with KRS Chapter 13B.

21 (2) All final orders of the commissioner made pursuant to this subtitle are subject to  
22 appeal to any~~the Franklin~~ Circuit Court *of competent jurisdiction* in accordance  
23 with KRS Chapter 13B.

24 ➔Section 194. KRS 304.50-135 is amended to read as follows:

25 (1) If a workers' compensation self-insured group has a members' fund balance that is  
26 less than the minimum amount required by this subtitle of one million dollars  
27 (\$1,000,000) and not a negative members' fund balance reported on an annual

1 financial filing or by a report on examination, then within thirty (30) days of the  
2 filing or report, the self-insured group shall file with the commissioner a written  
3 report that identifies the cause of the decrease in the fund balance, describes a plan  
4 for remedying the decrease in the fund balance, and identifies measures to be  
5 implemented to avoid similar future decreases in the fund balance. A report filed  
6 with the commissioner under this subsection may be approved, disapproved, or  
7 modified by the commissioner. A self-insured group may cease operating under a  
8 report filed with the commissioner under this subsection after the self-insured  
9 group's members' fund balance is one million dollars (\$1,000,000) or greater and the  
10 commissioner has approved in writing the lifting of the terms of the report. A report  
11 filed with the commissioner under this subsection shall be deemed part of the self-  
12 insured group's organizational documents for purposes of KRS 304.50-060.

13 (2) A workers' compensation self-insured group shall report any deficiency to the  
14 commissioner as soon as it is identified. A deficiency reported on an annual  
15 financial filing or by a report on examination shall be deemed a verified deficiency.  
16 If a workers' compensation self-insured group has a verified deficiency, the deficit  
17 amount shall be made up immediately from the following:

18 (a) Surplus funds from a fund year other than the current fund year after prior  
19 notice of the transfer has been given to the commissioner;

20 (b) Implementation of the previously approved assessment plan; or

21 (c) Alternative methods as the commissioner may direct or approve that provide  
22 financial security in the form of surety, deposit, letter of credit, guarantee, or  
23 other assets or obligation.

24 (3) If a workers' compensation self-insured group fails to remedy a deficit as required in  
25 subsection (2) of this section, the commissioner shall order the group to do so.

26 (4) If a workers' compensation self-insured group fails to remedy a deficit or make the  
27 required assessment of its members within thirty (30) days after the commissioner

1 orders the group to do so, the group shall be deemed to be in hazardous financial  
2 condition and insolvent, under Subtitle 33 of this chapter, and the commissioner  
3 may file a petition for delinquency proceedings, as defined in Subtitle 33 of this  
4 chapter, in ~~the~~[Franklin] Circuit Court of any county in which a party may be  
5 found.

6 (5) The commissioner shall place a workers' compensation self-insured group into  
7 delinquency proceedings in accordance with the provisions of Subtitle 33 of this  
8 chapter if the workers' compensation self-insured group is in hazardous financial  
9 condition, insolvent or about to become insolvent, no longer financially responsible  
10 and may reasonably be expected to be unable to meet its obligations to members or  
11 prospective members, has failed to remedy a deficiency in a reasonable and timely  
12 manner, or any other grounds that are provided in Subtitle 33 of this chapter. A self-  
13 insured group shall be placed in delinquency proceedings as an insurer, pursuant to  
14 Subtitle 33 of this chapter.

15 (6) The commissioner may approve bulk reinsurance or any other transfer of the book  
16 of business if he or she finds that it is in the best interests of the members and their  
17 employees.

18 ➔Section 195. KRS 304.50-140 is amended to read as follows:

19 (1) After a hearing or upon agreement by the workers' compensation self-insured group,  
20 the commissioner may suspend or revoke the certificate of filing of a self-insured  
21 group, impose a civil penalty of up to ten thousand dollars (\$10,000) per violation,  
22 or both if the group:

23 (a) Operates significantly in contravention of its basic organizational document or  
24 in a manner contrary to that described in and reasonably inferred from any  
25 other information submitted under this subtitle, or administrative regulations  
26 relating to this subtitle, unless amendments to the submissions have been filed  
27 with and approved by the commissioner or there has been a significant and

- 1           adverse change in the management of the self-insured group;
- 2           (b) Or any person at the direction of the group advertises or merchandises its  
3           services in an untrue, misrepresentative, misleading, deceptive, or unfair  
4           manner, or engages in unfair or deceptive practices as defined in Subtitle 12 of  
5           this chapter;
- 6           (c) Violates the provisions of this subtitle or administrative regulations adopted  
7           thereunder;
- 8           (d) Obtains a certificate of filing by unfair or deceptive means;
- 9           (e) Misappropriates, converts illegally, withholds, or refuses to pay upon proper  
10          demand any moneys that belong to a member, an employee of a member, or a  
11          person otherwise entitled to such moneys by the group or its administrator; or
- 12          (f) Violated or failed to correct a violation of this subtitle or administrative  
13          regulations promulgated under this subtitle within a reasonable time period  
14          established by the commissioner in administrative regulations.
- 15       (2) In addition, the commissioner may impose a civil penalty of up to ten thousand  
16       dollars (\$10,000) per day for continuing violations.
- 17       (3) The commissioner shall conduct a hearing under this section in accordance with  
18       Subtitle 2 of this chapter. The ruling of the commissioner may be appealed to  
19       ~~any~~Franklin Circuit Court ***of competent jurisdiction*** in accordance with KRS  
20       304.2-370. The commissioner, during the pendency of an appeal or request for a  
21       hearing, may utilize the security deposit provided by the self-insured group to make  
22       payments of any workers' compensation benefits currently due.
- 23       (4) If the commissioner revokes a self-insured group's certification, the commissioner  
24       shall immediately notify the Kentucky group self-insurance guaranty fund as  
25       established in KRS 342.906(2).
- 26       (5) When a certificate of filing of a self-insured group is suspended, the group shall not,  
27       during the period of suspension, enroll any new participants or engage in any

1 advertising or solicitation.

2 (6) If the certificate of filing of a self-insured group is revoked for reasons other than  
3 hazardous financial condition, the group shall proceed, immediately following the  
4 effective date of the order of revocation, to conclude its affairs and shall conduct no  
5 further business, except as may be essential to the orderly conclusion of the affairs  
6 of the group. The group shall engage in no further advertising or solicitation. The  
7 commissioner may, by written order, prevent further operation of the self-insured  
8 group if further operation is not deemed to be in the best interest of the members,  
9 and the self-insured group's members will be afforded the greatest practical  
10 opportunity to obtain workers' compensation coverage elsewhere. If the  
11 commissioner permits further operation, the workers' compensation self-insured  
12 group shall continue to collect the premiums and assessments required of its  
13 members.

14 (7) The commissioner, in his or her discretion and without advance notice or a hearing,  
15 may suspend or revoke the certificate of filing of any workers' compensation self-  
16 insured group upon commencement of the following proceedings:

- 17 (a) Receivership;
- 18 (b) Conservatorship;
- 19 (c) Rehabilitation; or
- 20 (d) Other delinquency proceedings.

21 ➔Section 196. KRS 304.99-110 is amended to read as follows:

22 Any person violating KRS 304.12-140 shall be punished by a fine of not more than two  
23 hundred fifty dollars (\$250) or by imprisonment of not more than ninety (90) days, or  
24 both; and if he or she holds a license from the commissioner, he or she shall forfeit the  
25 same. The Circuit Court of any county where a violation is alleged to have  
26 occurred,~~[Franklin County]~~ on complaint by any person that KRS 304.12-140 is being  
27 violated, may issue an injunction against such violation and may hold in contempt and

1 punish therefor in case of disregard of such injunction.

2 ➔Section 197. KRS 309.304 is amended to read as follows:

- 3 (1) The board shall administer and enforce the provisions of this chapter and shall have  
4 the responsibility of evaluating the qualifications of applicants for licensure and the  
5 issuance of licenses.
- 6 (2) The board may issue subpoenas, examine witnesses, pay appropriate witness fees,  
7 administer oaths, and investigate allegations of practices violating the provisions of  
8 this chapter.
- 9 (3) The board shall promulgate necessary and reasonable administrative regulations in  
10 accordance with KRS Chapter 13A and this chapter to effectively carry out and  
11 enforce the provisions of KRS 309.300 to 309.319, including regulations to  
12 establish authorized fees. Fees shall not exceed amounts necessary to generate  
13 sufficient funds to effectively carry out and enforce the provisions of KRS 309.300  
14 to 309.319.
- 15 (4) The board may conduct hearings in accordance with KRS Chapter 13B and keep  
16 records and minutes necessary to carry out the functions of KRS 309.300 to  
17 309.319.
- 18 (5) The board may renew licenses and require continuing education as a condition for  
19 renewal.
- 20 (6) The board may suspend or revoke licenses, or impose supervisory or probationary  
21 conditions upon licensees, or impose administrative disciplinary fines, issue written  
22 reprimands, or any combination thereof.
- 23 (7) The board may seek injunctive relief in the~~Franklin~~ Circuit Court **of any county**  
24 **where the unlicensed person may be found** to stop the unlawful practice of  
25 interpreting by unlicensed persons.
- 26 (8) The board may employ any persons it deems necessary to carry on the work of the  
27 board, and shall define their duties and fix their compensation.

1 (9) Beginning in 1999, on October 1 of each year, the board shall submit a report to the  
2 Legislative Research Commission indicating:

3 (a) The current number of licensed interpreters; and

4 (b) The number of complaints received against interpreters and any disciplinary  
5 action taken within the previous calendar year.

6 ➔Section 198. KRS 309.318 is amended to read as follows:

7 (1) The board may refuse to issue a license or suspend, revoke, impose probationary  
8 conditions upon, impose an administrative fine, issue a written reprimand, or any  
9 combination thereof regarding any licensee upon proof that the licensee has:

10 (a) Been convicted of a crime as described in KRS 335B.010(4) that directly  
11 relates to the occupation of interpreter, if in accordance with KRS Chapter  
12 335B. A plea of "no contest" may be treated as a conviction for purposes of  
13 disciplinary action;

14 (b) Knowingly misrepresented or concealed a material fact in obtaining a license  
15 or in reinstatement thereof;

16 (c) Committed any fraudulent act or practice;

17 (d) Been incompetent or negligent in the practice of interpreting;

18 (e) Violated any state statute or administrative regulation governing the practice  
19 of interpreting;

20 (f) Violated the code of ethics of the national organization issuing the licensee's  
21 certification as incorporated in administrative regulation; or

22 (g) Violated any federal or state law considered by the board to be applicable to  
23 the practice of interpreting.

24 (2) When the board issues a written reprimand to the licensee, a copy of the reprimand  
25 shall be placed in the permanent file of the licensee. The licensee shall have the  
26 right to submit a response within thirty (30) days of its receipt and to have that  
27 response filed in the permanent file.

- 1 (3) At any time during the investigative or hearing processes, the board may accept an  
2 assurance of voluntary compliance from the licensee which effectively deals with  
3 the complaint.
- 4 (4) The board may reconsider, modify, or reverse its probation, suspensions, or other  
5 disciplinary action.
- 6 (5) Five (5) years from the date of a revocation, any person whose license has been  
7 revoked may petition the board for reinstatement. The board shall investigate the  
8 petition and may reinstate the license upon a finding that the individual has  
9 complied with any terms prescribed by the board and is again able to competently  
10 engage in the practice of interpreting.
- 11 (6) Any party aggrieved by a disciplinary action of the board may bring an action in  
12 Franklin Circuit Court or the Circuit Court of any county where the party resides  
13 in accordance with the provisions of KRS Chapter 13B.
- 14 ➔Section 199. KRS 311A.055 is amended to read as follows:
- 15 (1) In accordance with the provisions of KRS Chapter 13B, all discipline for which the  
16 board is authorized to conduct investigations, hold hearings, and impose  
17 punishments is delegated to the executive director, state medical advisor, board  
18 attorney, and hearing panels as provided herein.
- 19 (2) Any person may make a complaint to the executive director that an entity licensed  
20 or certified by the board, first responder, emergency medical technician, paramedic,  
21 emergency medical services medical advisor or other person licensed or certified by  
22 the board has violated a provision of this chapter, an administrative regulation  
23 promulgated pursuant to this chapter, protocol, practice standard, or order of the  
24 board.
- 25 (3) Each complaint shall:
- 26 (a) Be in writing;
- 27 (b) Identify specifically the person or organization against whom the complaint is

- 1           made;
- 2           (c) Set forth the facts relating to the violation alleged and any other supporting
- 3           information which may have a bearing on the matter;
- 4           (d) Contain the name, address, telephone number, facsimile number, and e-mail
- 5           address, if available, of the complainant;
- 6           (e) Be subscribed and sworn to as to the truth of the statements contained in the
- 7           complaint by the complainant; and
- 8           (f) Be notarized.
- 9           (4) A complaint which is unsigned shall not be acted upon by the executive director. A
- 10          complaint which is not subscribed and sworn in the manner specified in subsection
- 11          (3) of this section shall be returned to the complainant for completion.
- 12          (5) The executive director of the board may, on behalf of the board, based on
- 13          knowledge available to the office of the board, make a complaint against any person
- 14          or organization regulated by the board in the same manner as provided in subsection
- 15          (3) of this section.
- 16          (6) Upon receipt of a properly completed complaint, the executive director shall assign
- 17          the complaint to a staff investigator who shall investigate the complaint and shall
- 18          make findings of fact and recommendations to the executive director who shall then
- 19          convene a preliminary inquiry board.
- 20          (7) When the executive director assigns a complaint to a staff investigator, he or she
- 21          shall notify the person or organization against whom the complaint has been filed
- 22          and shall notify the employer of a first responder, emergency medical technician, or
- 23          paramedic and the emergency medical services medical director for the organization
- 24          and for any paramedic against whom the complaint is filed and any other person or
- 25          organization specified in this chapter.
- 26          (8) The notification shall name the person or organization complained against, the
- 27          complainant, the violations alleged, and the facts presented in the complaint and

- 1 shall notify the person or organization complained against, the employer, and the  
2 emergency medical services medical director of:
- 3 (a) The fact that the complaint shall be answered, the steps for answering the  
4 complaint, and the action to be taken if the complaint is not answered;
  - 5 (b) The time frame and steps in the proceedings of a complaint;
  - 6 (c) The rights of the parties, including the right to counsel; and
  - 7 (d) The right to testify at any hearing.
- 8 (9) Upon the failure of a license or certificate holder to respond to a written accusation  
9 or to request a hearing within twenty (20) days after the sending of the accusation,  
10 the accused shall be considered to have admitted the truth of the facts and the  
11 circumstances in the allegation and appropriate discipline may be imposed.
- 12 (10) The preliminary inquiry board shall consist of one (1) member of the board selected  
13 by the chair, and two (2) persons representing the same category of certification or  
14 licensure as the defendant who are not members of the board appointed by the  
15 chairman of the board.
- 16 (11) After reviewing the complaint and results of any investigation conducted on behalf  
17 of the board, the preliminary inquiry board shall consider whether the accusation is  
18 sufficient to remand the matter for a hearing as provided in this section and KRS  
19 Chapter 13B. A majority vote of the members of the preliminary inquiry board shall  
20 be necessary for action to either remand the matter for hearing or dismiss the  
21 complaint without hearing.
- 22 (12) If the preliminary inquiry board dismisses the complaint, all parties notified  
23 previously shall be notified of the action. If the preliminary inquiry board remands  
24 the matter for a hearing, all parties notified previously shall be notified of the  
25 action.
- 26 (13) Each proceeding to consider the imposition of a penalty which the board is  
27 authorized to impose pursuant to this chapter shall be conducted in accordance with

1 KRS Chapter 13B.

- 2 (14) A hearing panel for purposes of making a decision in any disciplinary matter shall  
3 consist of one (1) physician who may be a member of the board or who meets the  
4 qualifications of an emergency medical services medical director; one (1) person  
5 from the category of persons or organizations of the same class as the defendant;  
6 and the hearing officer, who shall not be involved in emergency medical services.
- 7 (15) The hearing officer may issue subpoenas to compel the attendance of witnesses and  
8 the production of documents in the conduct of an investigation. The subpoenas may  
9 be enforced by any Circuit Court for contempt. Any order or subpoena of the court  
10 requiring the attendance and testimony of witnesses and the production of  
11 documentary evidence may be enforced and shall be valid anywhere in this state.
- 12 (16) At all hearings the board attorney or, on request of the board, the Attorney General  
13 of this state or one (1) of the assistant attorneys general designated shall appear and  
14 represent the board.
- 15 (17) The emergency medical services provider or related employer of a person licensed  
16 or certified by the board and the emergency medical services medical director of  
17 such a person who is the defendant in a hearing shall be parties to the action and  
18 may appear and testify in the matter at any deposition or hearing on the matter and  
19 may propose conclusions of law, findings of fact, and penalties to the hearing panel.
- 20 (18) To make a finding or recommend discipline, the two (2) members of the hearing  
21 panel who are not the hearing officer shall agree on the finding or discipline. In the  
22 event of a tie vote, the hearing officer shall cast the deciding vote.
- 23 (19) The final order in any disciplinary proceeding shall be prepared by the executive  
24 director and sent to all parties in the manner prescribed by law.
- 25 (20) Any person or entity aggrieved by a final order of the board may appeal to the  
26 Franklin Circuit Court *or the Circuit Court of any county where the person resides*  
27 *or conducts business* in accordance with the provisions of KRS Chapter 13B.

1 (21) The only discipline that the board may impose against an emergency medical  
2 services medical director is denial, suspension or withdrawal of the board's approval  
3 for that person to serve as an emergency medical services medical director.

4 (22) If the executive director substantiates that sexual contact occurred between a  
5 licensee or certificate holder and a patient while the patient was under the care of or  
6 in a professional relationship with the licensee or certificate holder, the license or  
7 certification may be revoked or suspended with mandatory treatment of the person  
8 as prescribed by the executive director. The executive director may require the  
9 licensee or certificate holder to pay a specified amount for mental health services  
10 for the patient which are needed as a result of the sexual contact.

11 ➔Section 200. KRS 311A.180 is amended to read as follows:

12 (1) Each emergency medical services medical director for an ambulance service, or  
13 other emergency medical services provider, shall submit:

14 (a) His or her protocols, including the pre-hospital care protocols related to the  
15 assessment, treatment, and transport of stroke patients;

16 (b) His or her standing orders; and

17 (c) Similar medical control documents to the board for approval prior to placing  
18 the document in use.

19 (2) The medical advisor for the board shall review each document submitted to  
20 ascertain if it is in accordance with accepted standards of medical care and in  
21 accordance with the provisions of this chapter and administrative regulations  
22 promulgated thereunder. If the protocol, standing order, or other medical control  
23 document clearly violates the accepted standards of medical care, this chapter, or an  
24 administrative regulation, the medical advisor shall notify the emergency medical  
25 services medical director of the exact violation and recommend a correction thereof.

26 (3) Following review of protocol, standing order, and medical control documents and  
27 giving the emergency medical services medical director who submitted the

1 documents an opportunity to review the medical advisor's comments, the medical  
2 advisor shall submit the documents together with his or her comments to the board  
3 for approval or disapproval.

4 (4) The board shall approve, disapprove, or approve with modifications protocol,  
5 standing order, and medical control documents submitted by the emergency medical  
6 services medical director at its next regular or special meeting following the  
7 submission of the documents.

8 (5) If a protocol, standing order, or other medical control document is disapproved by  
9 the board, the emergency medical services medical director who submitted it may  
10 appeal the decision to the Franklin Circuit Court or the Circuit Court of the county  
11 where the service or provider is located. If the decision of the board is appealed ~~to~~  
12 ~~the Franklin Circuit Court~~, the board shall bear the burden of proving that the  
13 protocol, standing order, or other medical control document violates the accepted  
14 standards of medical care, or an administrative regulation.

15 (6) The board shall, by administrative regulation, specify a schedule for submission and  
16 prompt review and decision making with regard to protocols, standing orders, and  
17 medical control documents submitted to the board.

18 ➔Section 201. KRS 311B.040 is amended to read as follows:

19 (1) The board shall meet at least two (2) times annually and may meet at other times as  
20 needed. Special meetings shall be called by the chair, or by written petition of three  
21 (3) board members to the chair of the board.

22 (2) At the first meeting each year, the board shall elect by majority a chair to preside at  
23 the meetings for a one (1) year term. A vice chair shall be elected by the board to  
24 preside over board meetings in the chair's absence.

25 (3) The board chair shall establish an agenda to conduct business for each meeting. The  
26 agenda shall be distributed to board members at least two (2) weeks prior to the  
27 scheduled meeting. Specific items for consideration shall be submitted at least thirty

1 (30) days prior to the next board meeting.

2 (4) A majority of the board members shall constitute a quorum for the transaction of  
3 necessary business.

4 (5) Vacancies shall be filled in the manner of the original appointment for the length of  
5 the unexpired portion of the term only. Appointment to a vacancy for more than two  
6 (2) years shall constitute a full term of appointment.

7 (6) Upon recommendation by a majority of the board members and after notice and a  
8 hearing, the Governor may remove any member for failure to maintain the  
9 qualifications as a board member, incompetence, neglect of duty, or malfeasance in  
10 office. Any board member removed under this subsection shall be entitled to appeal  
11 the removal in any~~[the Franklin]~~ Circuit Court of competent jurisdiction.

12 (7) There shall be no liability on the part of, and no action for damages against, any  
13 current or former board member, representative, agent, or employee of the board,  
14 when the person is acting with ordinary care, is functioning within the scope of  
15 board duties, is acting without malice, and has the reasonable belief that the actions  
16 taken by him or her are warranted by law.

17 (8) Each member of the board shall receive, in addition to travel, hotel, and other  
18 necessary expenses, a reasonable amount as determined by the board through the  
19 promulgation of administrative regulations for each day the member is engaged in  
20 the discharge of official duties at scheduled or called meetings of the board.

21 ➔Section 202. KRS 312.152 is amended to read as follows:

22 (1) Subpoenas for witnesses, whose evidence is deemed material to an investigation or  
23 hearing authorized by KRS 312.150 and this section, may be issued by the board or  
24 any officer of the board and under the seal of the board, commanding the witness to  
25 appear before the board at a time and place to be named, and to bring books,  
26 records, and documents that may be specified, or to submit books, records, and  
27 documents for inspection. Subpoenas may be served by any sheriff or deputy.

1 (2) When any witness who has been served with a subpoena fails or refuses to appear at  
2 the time and place named; or fails or refuses to answer any lawful question  
3 propounded; or fails to produce the books, records, or documents required; or is  
4 guilty of disorderly or contumacious conduct at the hearing, the board may invoke  
5 the aid of ~~any~~<sup>the Franklin</sup> Circuit Court **of competent jurisdiction** and any order  
6 or subpoena of the court requiring the attendance and testimony of witnesses and  
7 the production of documentary evidence may be enforced and shall be valid  
8 anywhere in the state.

9 (3) Witnesses shall be entitled to the same fees and mileage as they may be entitled to  
10 by law for attending as witnesses in a Circuit Court.

11 (4) Witnesses who testify under subpoena shall be entitled to the same protection and  
12 immunities as witnesses in judicial proceedings.

13 ➔Section 203. KRS 312.160 is amended to read as follows:

14 (1) Any licensed person who has been disciplined after a hearing shall have the right to  
15 appeal to the Franklin Circuit Court **or the Circuit Court of the county of the**  
16 **person's residence** in accordance with KRS Chapter 13B. If the person who has  
17 been disciplined fails to appeal within thirty (30) days after the final order is mailed  
18 or personally served, the final order of the board shall be final.

19 (2) Any disciplinary matter shall be reported to the Healthcare Integrity and Protection  
20 Data Bank or to the board's authorized agent.

21 ➔Section 204. KRS 312.163 is amended to read as follows:

22 (1) In addition to the other powers granted to the board under this chapter, the board  
23 may, in connection with any person whom the board, after a hearing adjudges  
24 unqualified or whom the board, after a hearing, finds to have performed one (1) or  
25 more of the acts described in KRS 312.150:

- 26 (a) Revoke the license to practice;
- 27 (b) Suspend the license to practice;

- 1 (c) Publicly reprimand or censure the person;
- 2 (d) Place the person on probation for a period and upon the terms and conditions  
3 that the board may establish;
- 4 (e) Require payment of all costs of proceedings resulting from the disciplinary  
5 action; and
- 6 (f) Limit the license to practice.
- 7 (2) The board may also impose a penalty not exceeding five thousand dollars (\$5,000)  
8 for each separate violation.
- 9 (3) A licensee subject to any disciplinary proceeding under this chapter shall be  
10 afforded an administrative hearing conducted in accordance with KRS Chapter 13B  
11 and may appeal any final order of the board to the Franklin Circuit Court *or the*  
12 *Circuit Court of any county where the person resides or conducts business.*
- 13 ➔Section 205. KRS 312.991 is amended to read as follows:
- 14 (1) Any person who shall practice or attempt to practice chiropractic in violation of the  
15 provisions of this chapter, or any person who shall buy, sell or fraudulently obtain  
16 any diploma or license to practice chiropractic, whether recorded or not; or any  
17 person who shall use the title to induce the public to believe that he is engaged in  
18 the practice of chiropractic, without first complying with the provisions of this  
19 chapter, shall be guilty of a misdemeanor, and upon conviction thereof shall be  
20 punished by a fine of not more than five hundred dollars (\$500) or by imprisonment  
21 in the county jail for not more than six (6) months or both. Each adjustment or  
22 treatment shall constitute a separate offense.
- 23 (2) Any advertisement or sign of whatsoever nature to induce the public to believe that  
24 one is a chiropractor or practices chiropractic shall be prima facie evidence of a  
25 violation of this chapter, provided the person displaying such sign or causing such  
26 advertisement has not been licensed to practice chiropractic as provided in this  
27 chapter.

1 (3) Whenever in the judgment of the board any person has engaged or is about to  
2 engage in the acts or practices that constitute, or will constitute, a violation of any of  
3 the provisions of this chapter or the rules and regulations adopted by the board, the  
4 board may make application to the ~~Franklin~~ Circuit Court **of any county where**  
5 **the violation occurred or is about to occur** for an order enjoining such acts or  
6 practices. Upon a showing by the board that such person has engaged, or is about to  
7 engage, in any such acts or practices, an injunction, restraining order, or such other  
8 order as may be appropriate shall be granted by such court. Any order of the ~~Franklin~~  
9 ~~Franklin~~ Circuit Court shall be enforceable and shall be valid anywhere in this state  
10 and the order of the court shall be reviewable as provided in the Rules of Civil  
11 Procedure in the case of other injunctions and restraining orders.

12 ➔Section 206. KRS 313.100 is amended to read as follows:

13 (1) If it is determined that an entity regulated by the board, a dentist, dental hygienist,  
14 dental specialist, or dental assistant has violated a statute, administrative regulation,  
15 or practice standard relating to serving as an entity regulated by the board, a dentist,  
16 dental hygienist, dental specialist, or dental assistant, the Office of the Board may  
17 impose any of the sanctions provided in subsection (2) of this section. Any party to  
18 the complaint shall have the right to propose findings of fact and conclusions of  
19 law, and to recommend sanctions.

20 (2) The Office of the Board shall require an acceptable plan of correction and may use  
21 any one (1) or more of the following sanctions when disciplining a dentist, dental  
22 hygienist, dental specialist, or dental assistant or any entity regulated by the board:

- 23 (a) Private admonishment;
- 24 (b) Public reprimand;
- 25 (c) Fines;
- 26 (d) Revocation of licensure or registration;
- 27 (e) Suspension of licensure or registration until a time certain;

- 1 (f) Suspension until a certain act or acts are performed;
- 2 (g) Limitation of practice permanently;
- 3 (h) Limitation of practice until a time certain;
- 4 (i) Limitation of practice until a certain act or acts are performed;
- 5 (j) Repassing a portion of the clinical examination;
- 6 (k) Probation for a specified time and conditions of probation; or
- 7 (l) Costs of the disciplinary action as defined by administrative regulation.
- 8 (3) A private admonishment shall not be subject to disclosure to the public under KRS  
9 61.878(1)(l). A private admonishment shall not constitute disciplinary action but  
10 may be used by the board for statistical purposes or in subsequent disciplinary  
11 action against the same licensee, certificate holder, or applicant.
- 12 (4) The filing of criminal charges or a criminal conviction for violation of the  
13 provisions of this chapter or the administrative regulations promulgated thereunder  
14 shall not preclude the Office of the Board from instituting or imposing board  
15 disciplinary action authorized by this chapter against any person or organization  
16 violating this chapter or the administrative regulations promulgated thereunder.
- 17 (5) The institution or imposition of disciplinary action by the Office of the Board  
18 against any person or organization violating the provisions of this chapter or the  
19 administrative regulations promulgated thereunder shall not preclude the filing of  
20 criminal charges against or a criminal conviction of any person or organization for  
21 violation of the provisions of this chapter or the administrative regulations  
22 promulgated thereunder.
- 23 (6) The board may maintain an action to enjoin the practice of or the attempt to practice  
24 as a dentist, dental hygienist, or dental assistant without a license or registration to  
25 do so.
- 26 (7) In case of a violation of any injunction granted under this section, the court may use  
27 its inherent powers for adequate relief.

- 1 (8) (a) Any licensee or certificate holder who has received a private admonishment  
2 may request in writing for the board to expunge the private admonishment  
3 from the licensee or certificate holder's permanent record.
- 4 (b) The request for expungement may be filed no sooner than three (3) years after  
5 the date on which the licensee or certificate holder has completed disciplinary  
6 sanctions imposed and if the licensee or certificate holder has not been  
7 disciplined for any subsequent violation of the same nature within this period  
8 of time.
- 9 (c) No person may have his record expunged under this chapter more than once.
- 10 (9) If it is found the person who is licensed or registered by the board has been  
11 convicted of, pled guilty to, or entered an Alford plea to a Class A, B, or C felony  
12 offense, or has completed a diversion program for a Class A, B, or C felony offense,  
13 the license or registration shall be revoked.
- 14 (10) A licensee subject to any disciplinary proceeding under this chapter shall be  
15 afforded an administrative hearing conducted in accordance with KRS Chapter 13B  
16 and may appeal any final order of the board to ~~any~~the Franklin Circuit Court *of*  
17 competent jurisdiction.

18 ➔Section 207. KRS 314A.210 is amended to read as follows:

19 Any person aggrieved by a final order of the board may obtain a review of the order by  
20 filing a petition in the Franklin Circuit Court or the Circuit Court of the county where  
21 the person resides in accordance with KRS Chapter 13B. The commencement of  
22 proceedings under this section does not, unless specifically ordered by the court, operate  
23 as a stay of the board's order.

24 ➔Section 208. KRS 314A.990 is amended to read as follows:

- 25 (1) Any person who violates any of the provisions of this chapter shall be guilty of a  
26 misdemeanor punishable by imprisonment in the county jail not exceeding six (6)  
27 months, or by a fine not exceeding one thousand dollars (\$1,000), or by both.

1 (2) When any person other than a respiratory care practitioner holding a valid  
2 mandatory certificate has engaged in any act or practice which constitutes an  
3 offense against this chapter, the ~~Franklin~~ Circuit Court **of the county where the**  
4 **person resides or practices**, on application of the board, may issue an injunction or  
5 other appropriate order restraining such conduct.

6 ➔Section 209. KRS 315.131 is amended to read as follows:

7 (1) Every proceeding imposing a fine or for probation, suspension, or revocation of a  
8 license, permit, or certificate issued pursuant to this chapter shall be conducted in  
9 accordance with KRS Chapter 13B. Upon failure of the licensee, permit holder, or  
10 certificate holder to respond to the complaint at or before the time of the hearing,  
11 the allegations set forth in the complaint shall be taken by the board as confessed.

12 (2) All decisions revoking or suspending a license, permit, or certificate or placing a  
13 licensee, permit holder, or certificate holder on probation or imposing a fine shall be  
14 made by the board.

15 (3) The board may when in its opinion the continued practice of the licensee or  
16 certificate holder or the continued operation of the permit holder would be  
17 dangerous to the health, welfare, and safety of the general public, issue an  
18 emergency order as provided in KRS 13B.125.

19 (4) A licensee, permit holder, or certificate holder aggrieved by a final order of the  
20 board may within ten (10) days after notice thereof move the board to reconsider  
21 this order. A motion to reconsider based on newly-discovered material evidence  
22 must be made within one (1) year of the entry of the order.

23 (5) A licensee, permit holder, or certificate holder aggrieved by a final order of the  
24 board may appeal to the Franklin Circuit Court **or the Circuit Court of any county**  
25 **where the person resides or conducts business** in accordance with KRS Chapter  
26 13B.

27 (6) The board may, without benefit of a hearing, temporarily suspend a license,

1 certificate, or permit for not more than sixty (60) days if the president of the board  
2 finds on the basis of reasonable evidence that a licensee, certificate holder, or permit  
3 holder:

- 4 (a) Has violated a statute or administrative regulation the board is empowered to  
5 enforce, and continued practice or operation by the licensee, certificate holder,  
6 or permit holder would create imminent risk of harm to the public; or  
7 (b) Suffers a mental or physical condition that through continued practice or  
8 operation could create an imminent risk of harm to the public.

9 The emergency suspension shall take effect upon receipt by the licensee, certificate  
10 holder, or permit holder of written notice, delivered by certified mail or in person,  
11 specifying the statute or administrative regulation violated. At the time the  
12 emergency suspension order issues, the board shall schedule a disciplinary hearing  
13 to be held in accordance with the provisions of KRS Chapter 13B within sixty (60)  
14 days thereafter.

15 ➔Section 210. KRS 315.155 is amended to read as follows:

- 16 (1) The Governor may remove a member of the board for any of the following reasons:  
17 (a) Refusal or inability of a board member to perform his duties as a member of  
18 the board in an efficient, responsible and professional manner;  
19 (b) Misuse of the office by a member of the board to obtain personal, pecuniary,  
20 or material gain or advantage for himself or another;  
21 (c) Willful violation of any provision of KRS Chapter 315 or any rule or  
22 regulation promulgated thereunder.
- 23 (2) Any person may file a complaint with the executive director of the board against a  
24 board member alleging specific facts which constitute grounds for removal from the  
25 board. The executive director shall transmit a copy of any such complaint to the  
26 Governor, the president of the board and the accused board member. Upon a written  
27 recommendation of the Governor or two-thirds (2/3) of the members of the board, a

1 hearing shall be conducted before an impartial hearing officer pursuant to KRS  
2 Chapter 13B.

3 (3) The hearing officer shall submit a transcript of the hearing to the Governor with a  
4 recommendation based on evidence presented in the hearing. The Governor shall  
5 review the transcript to determine if the evidence supports the recommendation, and  
6 he shall enter a finding in accordance with such determination.

7 (4) In the event a board member is removed, his removal shall be effective as of the  
8 date of the Governor's finding and a vacancy shall be deemed to exist. Any board  
9 member so removed shall be entitled to appeal the removal in the Franklin Circuit  
10 Court or the Circuit Court of the county where the member resides.

11 ➔Section 211. KRS 316.155 is amended to read as follows:

12 (1) The board shall, before revoking, suspending, or imposing probationary conditions  
13 on any license or registration issued pursuant to this chapter, or before issuing a  
14 written reprimand or imposing a fine, set the matter for a hearing to be conducted in  
15 accordance with KRS Chapter 13B.

16 (2) After denying an application for a license or a registration for an apprentice, the  
17 board shall set the matter for a hearing in accordance with KRS Chapter 13B upon  
18 written request of the applicant if the request is made within thirty (30) days of the  
19 mailing of a letter of denial.

20 (3) Any final order of the board may be appealed to any~~Franklin~~ Circuit Court of  
21 competent jurisdiction in accordance with KRS Chapter 13B.

22 ➔Section 212. KRS 316.210 is amended to read as follows:

23 (1) The board shall administer and enforce the provisions of this chapter and may  
24 promulgate administrative regulations pursuant to KRS Chapter 13A to carry out  
25 and enforce the provisions of this chapter.

26 (2) The board shall keep records and minutes necessary to carry out the provisions of  
27 this chapter.

1 (3) The board may administer oaths and may issue subpoenas to compel the attendance  
2 of witnesses and the production of documents.

3 (4) The board may seek injunctive relief in any~~Franklin~~ Circuit Court ***of the county***  
4 ***where a violation may occur*** to restrain or enjoin a violation of this chapter.

5 (5) The board may employ persons as necessary to carry out the requirements of this  
6 chapter.

7 ➔Section 213. KRS 317.460 is amended to read as follows:

8 (1) The barber board shall hold hearings upon the request of any person directly  
9 affected by the board's decision to refuse a license; deny or revoke a license; or  
10 suspend or place a licensee on probation. Hearings shall be conducted in accordance  
11 with KRS Chapter 13B.

12 (2) Final orders of the barber board as a result of any hearing may be appealed to the  
13 Franklin Circuit Court ***or the Circuit Court of any county where the aggrieved***  
14 ***party resides or conducts business*** in accordance with KRS Chapter 13B.

15 ➔Section 214. KRS 317A.070 is amended to read as follows:

16 (1) The cosmetologist board shall hold hearings upon the request of any person directly  
17 affected by the board's decision to refuse to issue or renew a license or to deny,  
18 suspend, probate, fine, or revoke a license. A licensee or applicant shall request a  
19 hearing within thirty (30) days of the board's notice that it seeks to refuse to issue or  
20 renew a license, or to deny, suspend, probate, fine, or revoke a license. The hearing  
21 shall be conducted in accordance with KRS Chapter 13B.

22 (2) Rulings of the board as a result of any hearing may be appealed to the Franklin  
23 Circuit Court ***or the Circuit Court of any county where the aggrieved party resides***  
24 ***or conducts business*** in accordance with KRS Chapter 13B.

25 ➔Section 215. KRS 317B.055 is amended to read as follows:

26 (1) The board, before suspending, revoking, imposing probationary or supervisory  
27 conditions upon, imposing an administrative fine, issuing a written reprimand, or

1 any combination of actions regarding any license under this chapter, shall set the  
2 matter for hearing pursuant to the provisions of KRS Chapter 13B.

3 (2) After denying an application under this chapter, the board shall grant a hearing  
4 pursuant to the provisions of KRS Chapter 13B.

5 (3) A licensee or applicant aggrieved by a disciplinary action of the board may bring an  
6 action in the Franklin Circuit Court or the Circuit Court of any county where the  
7 aggrieved party resides or conducts business pursuant to the provisions of KRS  
8 Chapter 13B.

9 ➔Section 216. KRS 318.190 is amended to read as follows:

10 (1) The Circuit Court where the violation occurs shall have jurisdiction and venue in all  
11 civil and injunctive actions instituted by the department for the enforcement of the  
12 provisions of KRS Chapter 318 and the State Plumbing Code and the orders issued  
13 thereunder.

14 (2) ~~{The Franklin Circuit Court shall hold concurrent jurisdiction and venue in }~~All  
15 civil and injunctive actions instituted by the department, or upon the secretary's  
16 request by the Attorney General, for the enforcement of the provisions of KRS  
17 Chapter 318, the State Plumbing Code and the orders issued thereunder and other  
18 rules and regulations of the department shall be filed in the Circuit Court where  
19 the violation occurs.

20 (3) The District Court where the violation occurs shall have jurisdiction and venue in  
21 all criminal actions for the enforcement of the provisions of KRS Chapter 318 and  
22 the State Plumbing Code and the orders issued thereunder. The~~{ Franklin }~~ Circuit  
23 Court where the violation occurs shall hold concurrent jurisdiction and venue on all  
24 appeals of criminal actions for the enforcement of the provisions of KRS Chapter  
25 318 and the State Plumbing Code and the orders issued thereunder.

26 ➔Section 217. KRS 319.092 is amended to read as follows:

27 (1) In every proceeding for probation, suspension, or revocation of a license, an

1 administrative hearing shall be conducted in accordance with KRS Chapter 13B.

2 The board or a hearing officer appointed by the board shall conduct the hearing.

3 (2) All decisions revoking or suspending a license or placing a credential holder on  
4 probation shall be made by the board.

5 (3) If, after a hearing, a majority of the board finds that a credential holder has violated  
6 any provision of this chapter, the board may:

7 (a) Revoke or suspend the license;

8 (b) Impose a monetary penalty not to exceed two thousand dollars (\$2,000) per  
9 violation;

10 (c) Revoke or suspend the license or impose a monetary penalty, but suspend  
11 enforcement thereof by placing the credential holder on probation, which shall  
12 be revocable if the board finds the conditions of the probation order are not  
13 being followed by the credential holder;

14 (d) Require the credential holder, as a condition of probation, to submit to care,  
15 counseling, or treatment by a professional designated by the board, or require  
16 the credential holder to be supervised by a licensed psychologist designated by  
17 the board. The expense of this action shall be borne by the credential holder  
18 on probation;

19 (e) Modify the conditions of the probation, with good cause, and may include  
20 among them any reasonable condition for the purpose of the protection of the  
21 public, or for the purpose of the rehabilitation of the probationer, or both;

22 (f) Require restitution; and

23 (g) Assess the costs of the disciplinary proceeding.

24 (4) If the board substantiates that sexual contact occurred between a credential holder  
25 and a patient while the patient was under the care or in a professional relationship  
26 with the credential holder, the credential holder's license may be revoked or  
27 suspended with mandatory treatment of that individual as prescribed by the board.

1 The board may require the credential holder to pay a specified amount for mental  
2 health services for the patient which are needed as a result of the sexual contact.

3 (5) Final orders of the board suspending or revoking a license or placing a credential  
4 holder on probation shall become effective immediately after written notice is  
5 served on the credential holder and the credential holder shall not, after notice of  
6 same, engage or continue to engage in the practice of psychology unless the board's  
7 final order is revoked or modified by the court after judicial review.

8 (6) The board shall make public its final order in all disciplinary actions.

9 (7) Any person aggrieved by a final order of the board may appeal to the Franklin  
10 Circuit Court or the Circuit Court of any county where the aggrieved party resides  
11 or conducts business in accordance with KRS Chapter 13B.

12 ➔Section 218. KRS 319A.070 is amended to read as follows:

13 (1) The board shall administer and enforce the provisions of this chapter and shall have  
14 the responsibility of evaluating the qualifications of applicants for licensure.

15 (2) The board may issue subpoenas, examine witnesses, administer oaths, and  
16 investigate allegations of practices violating the provisions of this chapter.

17 (3) The board may:

18 (a) Promulgate administrative regulations, pursuant to KRS Chapter 13A, relating  
19 to professional conduct to carry out the provisions of this chapter, including  
20 but not limited to administrative regulations relating to professional licensure  
21 and holding a license to practice occupational therapy or assist in the practice  
22 of occupational therapy in the Commonwealth;

23 (b) Conduct administrative hearings in accordance with KRS Chapter 13B;

24 (c) Evaluate the qualifications and authorize the issuance of licenses to qualified  
25 occupational therapists and occupational therapy assistants;

26 (d) Issue and renew licenses based on evidence of initial and continued  
27 competence of persons subject to this chapter;

- 1 (e) Suspend or revoke licenses;
- 2 (f) Require the continuing professional education of persons subject to this  
3 chapter;
- 4 (g) Keep a record of its proceedings and a register of all persons licensed as  
5 occupational therapists or occupational therapy assistants. The register shall  
6 show the name of every licensee, the licensee's last known place of business  
7 and last known place of residence, and the date and number of the license of  
8 each licensed occupational therapist or occupational therapy assistant. The  
9 board shall, during the month of January of every year, compile and make  
10 available a list of licensed occupational therapists and occupational therapy  
11 assistants authorized to practice in the Commonwealth. Any citizen of the  
12 Commonwealth may obtain a copy of the list upon application to the board  
13 and payment of an amount to be fixed by the board, which shall not exceed its  
14 cost;
- 15 (h) Make an annual report to the Governor and the General Assembly which shall  
16 contain an account of duties performed, actions taken, and appropriate  
17 recommendations;
- 18 (i) Institute and maintain actions to restrain or enjoin any violation of this chapter  
19 and administrative regulations notwithstanding the existence or pursuit of  
20 other civil or criminal penalties;
- 21 (j) Approve an examination for occupational therapists and occupational therapy  
22 assistants and establish standards for acceptable performance;
- 23 (k) Seek an injunction in ~~any~~ Franklin Circuit Court **of competent jurisdiction**  
24 against any individual who practices occupational therapy in the  
25 Commonwealth without a license; and
- 26 (l) Promulgate administrative regulations to define appropriate supervision of  
27 assistants, aides, and unlicensed personnel that are delivering occupational

1 therapy services.

2 ➔Section 219. KRS 319A.200 is amended to read as follows:

3 Any person aggrieved by an order of the board denying, suspending or revoking his  
4 license may appeal to the Franklin Circuit Court or the Circuit Court of any county  
5 where the aggrieved party resides or conducts business within thirty (30) days after  
6 entry of said order, for appropriate relief. On such appeal the scope of review shall be  
7 limited to an examination of the record of the board's action for the purpose of  
8 determining whether the board abused its discretion. The appellant shall furnish the court  
9 with a properly certified transcript of any evidence heard by the board, and the court may  
10 refuse to review any findings of fact made by the board unless such a transcript is filed  
11 within sixty (60) days after the filing of the appeal.

12 ➔Section 220. KRS 319C.050 is amended to read as follows:

13 (1) It shall be the duty of the board to establish requirements for licensure to practice  
14 applied behavior analysis in the state in accordance with KRS 319C.060, to receive  
15 applications for licensure from persons desiring to become a behavior analyst, an  
16 assistant behavior analyst, or a temporary licensee from persons seeking to obtain  
17 supervised experience in the state, and to determine whether those applicants meet  
18 the qualifications and standards required by this chapter of all behavior analysts,  
19 assistant behavior analysts, or temporary licensees.

20 (2) The board is an agency of state government with the power to institute criminal  
21 proceedings in the name of the Commonwealth against violators of this chapter, and  
22 to institute civil proceedings to enjoin any violation of this chapter. The board shall  
23 investigate every alleged violation of this chapter brought to the board's notice and  
24 shall take action as it may deem appropriate. It shall be the duty of the Attorney  
25 General, the Commonwealth's attorneys, and the county attorneys to assist the board  
26 in prosecuting all violations of this chapter.

27 (3) All meetings shall be held at the call of the chair or at a call of a majority of

1 members upon not less than ten (10) days' written notice, unless notice shall be  
2 waived. The presence of any member at any meeting of the board shall constitute a  
3 waiver of notice thereof by the member.

4 (4) The board may conduct investigations and schedule and conduct administrative  
5 hearings in accordance with KRS Chapter 13B to enforce the provisions of this  
6 chapter or administrative regulations promulgated pursuant to this chapter. The  
7 board shall have the authority to administer oaths, receive evidence, interview  
8 persons, issue subpoenas, and require the production of books, papers, documents,  
9 or other evidence. In case of disobedience to a subpoena, the board may invoke the  
10 aid of any~~the Franklin~~ Circuit Court ***where the events in question occurred***. Any  
11 order or subpoena of the court requiring the attendance or testimony of witnesses or  
12 the production of documentary evidence may be enforced and shall be valid  
13 anywhere in the Commonwealth.

14 (5) The board shall keep a minute book containing a record of all meetings of the  
15 board.

16 (6) The board shall maintain a register of all persons licensed under this chapter. This  
17 register shall show the name of every licensee in this state, his or her current  
18 business and residence address and telephone numbers, and the date and number of  
19 his or her license. A licensee shall notify the board of a change of name, address, or  
20 telephone number, within thirty (30) days of the change.

21 (7) The board's records shall be updated annually.

22 (8) The board shall publish annually and make available a current directory of all  
23 licensed behavior analysts, licensed assistant behavior analysts, and temporary  
24 licensees obtaining supervised experience.

25 (9) The board shall adopt a seal which shall be affixed to every license and certificate  
26 granted by it.

27 ➔Section 221. KRS 319C.120 is amended to read as follows:

- 1 (1) The board may, within three (3) years, reinstate a license which has lapsed, upon  
2 payment of the prescribed renewal fee and, in addition, the payment of a  
3 reinstatement fee to be established by the board by administrative regulation.
- 4 (2) The board may reinstate a license which has been lapsed for more than three (3)  
5 years, upon showing that the applicant is certified and upon payment of a  
6 reinstatement fee.
- 7 (3) The board may reinstate a license which has been suspended or revoked under KRS  
8 319C.110 if, after a hearing conducted in accordance with KRS Chapter 13B, the  
9 board determines that the applicant is able to practice his or her profession with  
10 reasonable competency and is able to maintain the ethical code and standards of  
11 practice promulgated by administrative regulation. As a condition of reinstatement,  
12 the board may impose reasonable restrictions under which the licensee shall  
13 practice.
- 14 (4) Any person aggrieved by a final order of the board denying, suspending, or revoking  
15 his or her license may appeal to any~~the Franklin~~ Circuit Court ***of competent***  
16 ***jurisdiction*** in accordance with KRS Chapter 13B.

17 ➔Section 222. KRS 320.372 is amended to read as follows:

- 18 (1) The board may institute, in its own name, proceedings to temporarily or  
19 permanently restrain and enjoin the practice of optometry by the following:
- 20 (a) An individual who is not licensed to practice optometry pursuant to this  
21 chapter, or who is involved in conduct not specifically exempted from the  
22 requirements of this chapter by KRS 320.220; or
- 23 (b) An individual who was previously licensed by the board to practice optometry  
24 but is currently practicing optometry in violation of this chapter, regardless of  
25 whether the respondent has been convicted of violating the penal provisions  
26 thereof.
- 27 (2) A petition for injunction filed under subsection (1) of this section may be filed in

1        ~~any~~[Franklin] Circuit Court of the county where a violation occurred, and the  
2        board shall not be required to pay any costs or filing fees or furnish any bond in  
3        connection therewith.

4        (a) In the petition, it shall be sufficient to charge that the respondent on a day  
5        certain in a named county engaged in the practice of optometry in violation of  
6        this chapter. No showing of damage or injury shall be required.

7        (b) Issuance of an injunction shall enjoin any act specified under this chapter and  
8        shall remain in place as long as necessary to prevent the unlawful practice of  
9        optometry.

10       (c) Issuance of an injunction shall not relieve the respondent from being subject  
11       to any other proceeding under law provided by this chapter or otherwise.

12       (d) Violation of an injunction or restraining order shall be punished as a contempt  
13       without the intervention of a jury.

14       ➔Section 223. KRS 321.235 is amended to read as follows:

15       (1) The board shall administer and enforce the provisions of this chapter and shall have  
16       the responsibility of evaluating the qualifications of applicants for licensure and  
17       certification.

18       (2) The board may issue subpoenas, examine witnesses, pay appropriate witness fees,  
19       administer oaths, and investigate allegations of practices violating the provisions of  
20       this chapter.

21       (3) The board may promulgate administrative regulations in accordance with KRS  
22       Chapter 13A and this chapter to carry out the provisions of this chapter.

23       (4) The board may conduct hearings and keep records and minutes necessary to carry  
24       out the function of this chapter.

25       (5) The board may evaluate the qualifications and authorize the issuance of licenses,  
26       registration, or certification to qualified candidates.

27       (6) The board may renew licenses, registrations, and certifications, require continuing

1 education as a condition for renewal, and promulgate administrative regulations  
2 regarding the issuance and renewal of retired and inactive licenses.

3 (7) The board may suspend, or revoke licenses or certifications, or impose supervisory  
4 or probationary conditions upon licensees or certificate holders, or impose  
5 administrative disciplinary fines, issue written reprimands, or any combination  
6 thereof.

7 (8) The board may seek injunctive relief ~~in Franklin Circuit Court~~ to stop the  
8 unlawful practice of veterinary medicine by unlicensed persons **in the Circuit Court**  
9 **of the counties in which those persons practice.**

10 (9) Members of the board, its agents, and employees shall be immune from personal  
11 liability in any action, civil or criminal, which is based upon any official act or acts  
12 performed by them in good faith.

13 ➔Section 224. KRS 321.353 is amended to read as follows:

14 (1) The board may, by a majority vote, issue an emergency order for the immediate,  
15 temporary suspension of a license against which disciplinary action, an  
16 investigation, or initiating complaint is pending if the order is necessary to protect  
17 the public.

18 (2) The emergency order shall be made in accordance with KRS 13B.125 and shall be  
19 based upon a finding by the board that the emergency order is in the public interest  
20 and that there is substantial evidence of immediate danger to the health, welfare,  
21 and safety of the licensee's clients or animals, or the general public.

22 (3) A licensee may appeal the emergency order by filing a written request to the board  
23 for an emergency hearing in accordance with KRS 13B.125 within thirty (30) days  
24 after receipt of the order.

25 (4) The appeal of an emergency order shall address only the necessity for the action and  
26 shall not constitute an appeal of the merits of the underlying complaint or charge.

27 (5) The emergency order shall remain in effect until modified or vacated by the board

1 or hearing officer or superseded by final disciplinary action of the board or hearing  
2 officer on the underlying complaint or charge.

3 (6) The board shall expedite disciplinary hearings in which a licensee has been  
4 suspended under subsection (1) of this section.

5 (7) Any party aggrieved by a final order of the board may appeal to the ~~Franklin~~  
6 Circuit Court **of any county in which the aggrieved party resides or conducts**  
7 **business** after a written decision is issued by the board in accordance with KRS  
8 Chapter 13B.

9 ➔Section 225. KRS 321.360 is amended to read as follows:

10 (1) Except as provided in KRS 321.353, The board, before suspending, revoking,  
11 imposing probationary or supervisory conditions upon, imposing an administrative  
12 fine, or any combination of actions regarding any license under the provisions of  
13 this chapter, shall set the matter for hearing in accordance with KRS Chapter 13B.  
14 After denying an application under the provisions of this chapter, or issuing a  
15 written reprimand, the board shall grant a hearing in accordance with KRS Chapter  
16 13B to the denied applicant only upon written request of the applicant made within  
17 thirty (30) days of the date of the letter advising of the denial or the reprimand.

18 (2) Any party aggrieved by a final order of the board may appeal to **the** Franklin Circuit  
19 Court **or the Circuit Court of any county in which the aggrieved party resides or**  
20 **conducts business** in accordance with KRS Chapter 13B.

21 ➔Section 226. KRS 322.190 is amended to read as follows:

22 Any person or organization, including the board upon its own volition, may file with the  
23 executive director of the board a written complaint alleging violation of any provision of  
24 this chapter. The executive director shall cause the complaint to be investigated.

25 (1) If the investigation reveals that the alleged violation did occur but was not of a  
26 serious nature, the board may issue a written admonishment to the licensee. A copy  
27 of the admonishment shall be placed in the permanent file of the licensee. The

1 licensee shall have the right to file a response to the admonishment within thirty  
2 (30) days of its receipt and to have the response placed in the permanent licensure  
3 file. The licensee may alternatively, within thirty (30) days of the receipt, file a  
4 request for hearing with the board. Upon receipt of this request, the board shall set  
5 aside the written admonishment and set the matter for hearing in accordance with  
6 the provisions of KRS Chapter 13B.

7 (2) If the investigation reveals evidence supporting the complaint, the executive  
8 director shall set the matter for hearing in accordance with the provisions of KRS  
9 Chapter 13B before refusing to renew, suspending, revoking, reprimanding,  
10 imposing probation or an administrative fine, or any combination of actions  
11 regarding any license under the provisions of this chapter.

12 (a) At any time during the investigation or hearing process, the board may accept  
13 a written assurance of voluntary compliance from the licensee which  
14 effectively deals with the complaint.

15 (b) When the board issues a written reprimand to the licensee, a copy of the  
16 reprimand shall be placed in the permanent file of the licensee. The licensee  
17 shall have the right to submit a response within thirty (30) days of its receipt  
18 and to have that response filed in the permanent file.

19 (3) After denying an application under the provisions of this chapter, the board may  
20 grant a hearing to the denied applicant in accordance with the provisions of KRS  
21 Chapter 13B.

22 (4) The board may reconsider, modify, or reverse its decision on any disciplinary  
23 action.

24 (5) Any party aggrieved by a disciplinary action of the board may bring an action in *the*  
25 *Franklin Circuit Court or the Circuit Court of any county in which the aggrieved*  
26 *party resides or conducts business* in accordance with the provisions of KRS  
27 Chapter 13B.

1           ➔Section 227. KRS 322.290 is amended to read as follows:

2   The board shall:

- 3   (1) Administer this chapter;
- 4   (2) Adopt an official seal;
- 5   (3) Provide suitable office quarters at its own expense;
- 6   (4) Adopt and amend all bylaws and rules of procedure, and promulgate administrative  
7       regulations, consistent with the Constitution and laws of the state and reasonably  
8       necessary for the proper performance of its duties and the regulation and fair  
9       conduct of the proceedings before it;
- 10   (5) Appoint an executive director and assistant executive directors and fix their  
11       compensation;
- 12   (6) Employ any clerk or other assistants necessary for the proper performance of its  
13       work;
- 14   (7) Appoint a general counsel and any assistant general counsel as it deems necessary  
15       and fix their compensation;
- 16   (8) Appoint investigatory personnel, as it deems necessary, and fix their compensation;
- 17   (9) Appoint committees of licensees, as it deems necessary, to review issues before the  
18       board and make recommendations to the board;
- 19   (10) Make expenditures, as it deems necessary, for any purpose that it considers  
20       reasonably necessary for the proper performance of its duties, including paying the  
21       expenses of the board's delegates to national conventions of and membership dues  
22       to the National Council of Examiners for Engineering and Surveying or other  
23       affiliated national boards or societies;
- 24   (11) Adopt and promulgate by administrative regulation a code of professional practice  
25       and conduct, which shall be based upon generally recognized principles of  
26       professional ethical conduct and binding upon persons licensed under this chapter.  
27       A code of professional practice and conduct shall be made known to all licensees

- 1 and applicants and shall include but not be limited to the following objectives:
- 2 (a) The protection of the public health, safety, and welfare;
- 3 (b) The maintenance of standards of objectivity, truthfulness, and reliability in  
4 public statements;
- 5 (c) The avoidance of conflicts of interest;
- 6 (d) The prohibition of solicitation or acceptance of engineering or land surveying  
7 work on any basis other than qualifications for the work offered;
- 8 (e) The prohibition of association with any person engaging in illegal or dishonest  
9 activities; and
- 10 (f) The limitation of professional service to the area of competence of the  
11 licensee;
- 12 (12) Adopt appropriate standards of practice;
- 13 (13) Promulgate administrative regulations in accordance with KRS Chapter 13A to  
14 establish rules for the use of stamps, seals, and signatures in electronic transactions;
- 15 (14) Bring, in its name, injunctive proceedings in any~~[the Franklin]~~ Circuit Court of the  
16 county where a violation occurred or is about to occur to enjoin any person,  
17 business entity, or combination thereof in violation of KRS 322.020 or KRS  
18 322.060;
- 19 (15) Adopt a program for continuing education for its individual land surveyor licensees.  
20 No individual land surveyor licensee shall be permitted to renew his or her license  
21 unless the minimum annual continuing education requirements are met, in addition  
22 to any other requirement for renewal. The program for continuing education shall  
23 not exceed a total of eight (8) credit clock hours per year and shall not include  
24 testing or examination of the licensee in any manner; and
- 25 (16) Adopt a program for continuing education for its individual engineer licensees.
- 26 (a) The program for continuing education shall not exceed a total of fifteen (15)  
27 credit clock hours per year and shall not include testing or examination of the

1 licensee in any manner.

2 (b) No individual engineer licensee shall be permitted to renew his or her license  
3 unless the minimum annual continuing education requirements are met,  
4 except as provided in paragraph (c) of this subsection, in addition to any other  
5 requirement for renewal.

6 (c) Any person licensed under this chapter as a professional engineer prior to  
7 January 1, 1972, who has maintained his or her license in good standing since  
8 becoming licensed shall not be subject to any continuing education  
9 requirements.

10 ➔Section 228. KRS 322A.030 is amended to read as follows:

11 (1) The board shall meet at least once each calendar year and at other times deemed  
12 necessary by the chair or a quorum of the board upon being given ten (10) days'  
13 notice.

14 (2) A roster showing the names and places of business of all registered professional  
15 geologists shall be published by the secretary of the board each year. Copies of this  
16 roster shall be made available to each person registered, placed on file with the  
17 secretary of the board, and furnished to the public upon request.

18 (3) The board shall pass upon the qualifications of applicants for registration.

19 (4) The board shall require from applicants for registration evidence of their  
20 qualifications and shall judge each applicant on evidence of the applicant's  
21 professional competency and integrity in accordance with administrative regulations  
22 promulgated by the board.

23 (5) The board may promulgate administrative regulations consistent with the provisions  
24 of this chapter appropriate and necessary to the conduct of its responsibilities and  
25 duties.

26 (6) The board shall promulgate by administrative regulation a code of professional  
27 conduct, a copy of which shall be distributed to every registered geologist. Mailing

- 1 of a copy of this code to persons listed in the roster maintained under subsection (2)  
2 of this section shall constitute due notice to all registrants. The board may revise  
3 and amend the code of ethics from time to time, subject to the consent of the  
4 majority of the registrants, and shall notify each registrant in writing of any  
5 revisions or amendments.
- 6 (7) The board may take appropriate disciplinary action as provided for in KRS  
7 322A.100, but only after written notice has been given the person concerned and the  
8 person is afforded an opportunity for a hearing to be conducted in accordance with  
9 KRS Chapter 13B.
- 10 (8) Any person or organization may prefer charges of fraud, deceit, gross negligence, or  
11 misconduct against any registrant. The charges shall be in writing, shall be sworn to  
12 by the person or officer of the organization making them, and shall then be filed  
13 with the board.
- 14 (9) Any Kentucky resident who feels aggrieved by any final order of the board may  
15 appeal to the Circuit Court of the county where the person resides or where the  
16 person has his or her principal office in accordance with KRS Chapter 13B. Any  
17 out-of-state resident who feels aggrieved by any final order of the board may appeal  
18 to ~~any~~<sup>the</sup> ~~Franklin~~ Circuit Court of competent jurisdiction in accordance with  
19 KRS Chapter 13B.
- 20 (10) The Attorney General or any assistants designated by him or her shall act as legal  
21 advisers to the board and render legal assistance as the board may from time to time  
22 require. The board may employ private counsel at its discretion. The cost of private  
23 counsel shall be paid exclusively from funds of the board.
- 24 (11) The board shall establish and maintain necessary offices within this  
25 Commonwealth, employ personnel as necessary, and prescribe their duties and  
26 compensation.
- 27 (12) For the purposes of enforcing the provisions of this chapter, investigating

1 complaints or suspected violations of this chapter, and notifying proper law  
2 enforcement authorities, the board may:

- 3 (a) Administer oaths;
- 4 (b) Receive evidence;
- 5 (c) Interview persons;
- 6 (d) Issue subpoenas; and
- 7 (e) Require production of books, papers, documents, or other evidence.

8 ➔Section 229. KRS 323.130 is amended to read as follows:

9 (1) In any action taken pursuant to KRS 323.120, the board shall conduct a hearing in  
10 accordance with the provisions of this chapter and KRS Chapter 13B. The hearing  
11 may be conducted by the full board or at its designation, a member thereof, a panel  
12 of the board, a hearing officer, or a combination of the foregoing;

13 (2) If the hearing is conducted by less than a majority of the full board, or by a hearing  
14 officer, the board members or hearing officer, as the case may be, may only issue a  
15 recommended order, and the recommended order shall be subject to review by a  
16 majority of the full board, which shall issue a final order; and

17 (3) The board may proceed against a licensee on its own initiative, on the basis of either  
18 information contained in its own records or information obtained through its  
19 informal investigation. If a formal complaint verified by affidavit is filed with the  
20 board by a responsible citizen or organization, containing allegations that if true  
21 would warrant action pursuant to KRS 323.120, the board may proceed against the  
22 licensee.

23 (4) Any final order of the board may be appealed to *the* Franklin Circuit Court *or the*  
24 *Circuit Court of any county where the aggrieved party resides or conducts*  
25 *business* in accordance with KRS Chapter 13B.

26 ➔Section 230. KRS 323.250 is amended to read as follows:

27 Whenever in the judgment of the board any person has engaged, or is about to engage, in

1 any acts or practices that constitute, or will constitute, a violation of KRS 323.020 or  
2 KRS 323.230, the board may inform the Attorney General, who may make application to  
3 ~~any~~~~the Franklin~~ Circuit Court **of a county where a violation has occurred or is about**  
4 **to occur** for an order enjoining such acts or practices, or the board may inform the  
5 Commonwealth's attorney of the county in which the acts or practices are occurring or  
6 will occur who may make application to the Circuit Court of that county for an order  
7 enjoining such acts or practices. Upon a showing by the board that such person has  
8 engaged, or is about to engage, in any such acts or practices, an injunction, restraining  
9 order, or such other order as may be appropriate shall be granted by such court. Any order  
10 of the ~~Franklin~~ Circuit Court shall be enforceable and shall be valid anywhere in this  
11 state and the order of either court shall be reviewable as provided in the Rules of Civil  
12 Procedure in the case of other injunctions and restraining orders.

13 ➔Section 231. KRS 323A.120 is amended to read as follows:

14 (1) No licensee shall be disciplined without an opportunity for a hearing. Hearings of  
15 the board shall be conducted in accordance with KRS Chapter 13B.

16 (2) Any disciplined licensee may appeal the final order to **the** Franklin Circuit Court **or**  
17 **the Circuit Court of the county where the person resides or conducts business** in  
18 accordance with KRS Chapter 13B.

19 ➔Section 232. KRS 323A.230 is amended to read as follows:

20 Whenever in the judgment of the board any person has engaged, or is about to engage, in  
21 any acts or practices that constitute, or will constitute, a violation of KRS 323A.020, the  
22 board may make application to ~~any~~~~the Franklin~~ Circuit Court **of the county where the**  
23 **violation occurred or is about to occur** for an order enjoining such acts or practices, or  
24 the board may inform the prosecuting attorney of the county in which the acts or practices  
25 are occurring or will occur who may make application to the Circuit Court of that county  
26 for an order enjoining such acts or practices. Upon a showing by the board that such  
27 person has engaged, or is about to engage, in any such acts or practices, an injunction,

1 restraining order, or such other order as may be appropriate shall be granted by such  
2 court. Any order of the ~~Franklin~~ Circuit Court shall be enforceable and shall be valid  
3 anywhere in this Commonwealth and the order of either court shall be reviewable as  
4 provided in the Rules of Civil Procedure, in the case of other injunctions and restraining  
5 orders.

6 ➔Section 233. KRS 324A.162 is amended to read as follows:

- 7 (1) The board may deny, suspend, revoke, or refuse to issue or renew the registration of  
8 an appraisal management company, or may restrict or limit the activities of an  
9 appraisal management company or of a person who owns an interest in or  
10 participates in the business of an appraisal management company if the board finds  
11 that any of the following circumstances apply to the applicant, a registrant, a person  
12 owning ten percent (10%) or more of the applicant or registrant, a partner, member,  
13 manager, officer, director, managing principal, controlling person, a person  
14 occupying a similar status or performing similar functions, or a person directly or  
15 indirectly controlling the applicant or registrant:
- 16 (a) The application for registration contained a statement that in light of the  
17 circumstances under which it was made is false or misleading with respect to  
18 a material fact;
- 19 (b) The person has violated or failed to comply with KRS 324A.152, 324A.154,  
20 324A.156, or 324A.158 or failed to comply with administrative regulations  
21 promulgated by the board for the implementation and enforcement of KRS  
22 324A.150 to 324A.164;
- 23 (c) The person has pled guilty or nolo contendere to, or has been found guilty of,  
24 a felony or, within the past ten (10) years, a misdemeanor involving mortgage  
25 lending or real estate appraising or an offense involving a breach of trust or  
26 fraudulent or dishonest dealing;
- 27 (d) The person is permanently or temporarily enjoined by a court of competent

- 1 jurisdiction from engaging in or continuing any conduct or practice involving  
2 appraisal management services or operating an appraisal management  
3 company;
- 4 (e) The person is the subject of an order of the board or any other state's appraisal  
5 management company regulatory agency denying, suspending, or revoking the  
6 person's privilege to operate as an appraisal management company;
- 7 (f) The person acted as an appraisal management company while not properly  
8 registered by the board; or
- 9 (g) The person failed to pay the proper filing or renewal fee as provided under  
10 KRS 324A.152 and 324A.154.
- 11 (2) Upon its own motion or the written complaint of a person reporting a violation of  
12 subsection (1) of this section, and after notice and the opportunity for a hearing in  
13 accordance with KRS Chapter 13B, the board may:
- 14 (a) Suspend or revoke the registration of a registrant;  
15 (b) Impose a fine not to exceed five thousand dollars (\$5,000) per violation; or  
16 (c) Take other appropriate disciplinary actions as established by the board through  
17 promulgation of administrative regulations.
- 18 (3) The board may appear in its own name in ~~Franklin Circuit Court, or~~ the Circuit  
19 Court of the county where the alleged violation occurred, to obtain injunctive relief  
20 to prevent a person from violating this section or KRS 324A.154, 324A.156, or  
21 324A.158. The Circuit Court may grant a temporary or permanent injunction  
22 regardless of whether:
- 23 (a) Criminal prosecution has been or may be instituted as a result of the violation;  
24 or  
25 (b) The person is the holder of a registration issued by the board.
- 26 ➔Section 234. KRS 325.360 is amended to read as follows:
- 27 (1) The board may conduct investigations of suspected violations of this chapter or the

1 administrative regulations promulgated by the board to determine whether there is  
2 probable cause to institute proceedings against any person or firm for any violation  
3 under this chapter, but an investigation under this section shall not be a prerequisite  
4 to proceedings. In aid of these investigations, the board or its designee may issue  
5 subpoenas to compel witnesses to testify and to produce evidence. Subpoenas may  
6 be served in person or by certified mail, return receipt requested.

7 (2) The board may designate a member, or any other person of appropriate competence,  
8 to serve as investigating officer to conduct an investigation. Upon completion of an  
9 investigation, the investigating officer shall report to the board. The board shall then  
10 find probable cause or lack of probable cause, or it shall request that the  
11 investigating officer investigate further. Until there has been a determination of  
12 probable cause, the findings of the investigating officer, the testimony and  
13 documents gathered in the investigation, and the fact of pendency of the  
14 investigation shall be treated as confidential information and shall not be disclosed  
15 to any person except law enforcement authorities and, to the extent deemed  
16 necessary in order to conduct the investigation, the subject of the investigation,  
17 persons whose complaints are being investigated, and witnesses questioned in the  
18 course of the investigation.

19 (3) Upon a finding of probable cause, the board shall direct that a complaint be issued  
20 pursuant to this section setting forth appropriate charges and a date for a hearing  
21 that shall be conducted in accordance with KRS Chapter 13B. Upon a finding of a  
22 lack of probable cause, the board shall dismiss the matter either with or without  
23 prejudice.

24 (4) In any case where probable cause has been determined pursuant to this section, the  
25 board may request the affected party to informally resolve the matter through  
26 mediation or otherwise.

27 (5) A person or firm, after having been served with the notice of hearing and complaint

1 as provided for in subsection (3) of this section, shall file a written response within  
2 twenty (20) days from the date of service. If the respondent licensee fails to file a  
3 timely response or fails to appear at the hearing, the board may hear evidence  
4 against the respondent and may enter a final order as shall be justified by the  
5 evidence.

6 (6) In a hearing under this section, the respondent may appear in person or, in the case  
7 of a firm, through a partner, shareholder, or other person with an ownership interest.

8 (7) The evidence supporting the complaint shall be presented by the investigating  
9 officer, by a board member designated for that purpose, or by counsel. A board  
10 member who presents the evidence, or who has conducted the investigation of the  
11 matter under this section, shall not participate in the board's decision of the matter.

12 (8) In a hearing under this section before the board or in acting upon the recommended  
13 order of a hearing officer, a vote of a majority of all members of the board then in  
14 office, other than a member disqualified by reason of subsection (7) of this section,  
15 shall be required to sustain any charge and to impose any penalty with respect  
16 thereto.

17 (9) Any person adversely affected by any order of the board may obtain a review  
18 thereof by filing a written petition for review with the Franklin Circuit Court or the  
19 Circuit Court of any county where the person resides or conducts business in  
20 accordance with KRS Chapter 13B.

21 (10) On rendering a final order, the board shall examine its records to determine whether  
22 the respondent is authorized or licensed to practice as a certified public accountant  
23 in any other state. If the board determines that the respondent is authorized or  
24 licensed to practice in any other state, the board shall notify the board of  
25 accountancy of the other state of its action by mail within thirty (30) days of  
26 rendering the final order.

27 (11) The board may exchange information relating to proceedings resulting in

1 disciplinary action against licensees with the boards of accountancy of other states  
2 and with other public authorities or private organizations having an interest in the  
3 information.

4 ➔Section 235. KRS 325.400 is amended to read as follows:

5 Whenever in the judgment of the board any person or firm has engaged, or is about to  
6 engage, in any acts or practices which constitute, or will constitute, a violation of this  
7 chapter, the board may make application to ~~any~~~~[the Franklin]~~ Circuit Court **of the county**  
8 **where a violation has occurred or is about to occur** for an order enjoining such acts or  
9 practices, and upon a showing by the board that such person or firm has engaged, or is  
10 about to engage, in any such acts or practices, an injunction, restraining order, or such  
11 other order as may be appropriate shall be granted by such court. The same shall be  
12 enforceable and shall be valid anywhere in this state and shall be reviewable as provided  
13 in the Rules of Civil Procedure in the case of other injunctions and restraining orders.

14 ➔Section 236. KRS 326.020 is amended to read as follows:

- 15 (1) There is hereby created a board of ophthalmic dispensers to be known as the  
16 "Kentucky Board of Ophthalmic Dispensers." It shall consist of five (5) members to  
17 be appointed by the Governor, one (1) member of which shall be a licensed medical  
18 physician or osteopath experienced in the treatment and examination of eyes and  
19 one (1) member of which shall be a licensed optometrist. Two (2) members shall be  
20 licensed ophthalmic dispensers. One (1) member shall be a citizen at large who is  
21 not associated with or financially interested in the practice or business regulated.  
22 They shall not pass upon their own qualifications. The board shall elect one (1) of  
23 its members chairman and one (1) member secretary-treasurer. These officers shall  
24 serve at the pleasure of the board.
- 25 (2) Members shall serve for a period of four (4) years from the date of their  
26 appointment and qualification. At the expiration of the term of office of any  
27 member, the Governor shall appoint a successor for a term of four (4) years.

- 1 (3) (a) The board may promulgate administrative regulations to carry out the  
2 purposes and provisions of this chapter, including the licensing of apprentice  
3 ophthalmic dispensers and the adoption of a program for continuing education  
4 for all licensees.
- 5 (b) No licensee shall be permitted to renew his or her license, unless the  
6 minimum annual continuing education requirements have been completed. No  
7 program for continuing education shall contain, as a prerequisite for license  
8 renewal, a requirement for more than a total of six (6) credit hours per year for  
9 ophthalmic dispenser licensees, or four (4) credit hours per year for apprentice  
10 ophthalmic dispenser licensees.
- 11 (4) Board members shall receive fifty dollars (\$50) per day for attending board  
12 meetings. Board members shall also be reimbursed for reasonable and necessary  
13 expenses incurred in the performance of their duties.
- 14 (5) The board may:
- 15 (a) Revoke, suspend, or refuse to issue or renew licenses; impose probationary or  
16 supervisory conditions upon licensee; or issue written reprimands to licensees,  
17 in accordance with KRS 326.090;
- 18 (b) Impose administrative fines in accordance with KRS 326.100; or
- 19 (c) Take any other action or combination of actions regarding licenses, licensees,  
20 or apprenticeships authorized by this chapter.
- 21 (6) For the purpose of enforcing the provisions of this chapter, the board may  
22 administer oaths, receive evidence, interview persons, issue subpoenas, and require  
23 the production of books, papers, documents, or other evidence.
- 24 (7) The board may seek injunctive relief in any~~Franklin~~ Circuit Court of the county  
25 where a violation occurred or is about to occur to enjoin violation of KRS  
26 326.030.
- 27 ➔Section 237. KRS 327.040 is amended to read as follows:

- 1 (1) It shall be the duty of the State Board of Physical Therapy to receive applications  
2 from persons desiring to become physical therapists and to determine whether said  
3 applicants meet the qualifications and standards required by this chapter of all  
4 physical therapists. The board shall also be charged with enforcement of the  
5 provisions of this chapter.
- 6 (2) The board is an agency of state government with the power to institute criminal  
7 proceedings in the name of the Commonwealth against violators of this chapter, and  
8 to institute civil proceedings to enjoin any violation of this chapter. The board shall  
9 investigate every alleged violation of this chapter coming to its notice and shall take  
10 action as it may deem appropriate. It shall be the duty of the Attorney General, the  
11 Commonwealth's attorneys, and the county attorneys to assist the board in  
12 prosecuting all violations of this chapter.
- 13 (3) The board shall meet at least once each quarter at such place in this state as may be  
14 selected by the board. Four (4) members of the board shall constitute a quorum for  
15 the transaction of business. All meetings shall be held at the call of the chairman or  
16 at a call of a quorum of members upon not less than ten (10) days' written notice,  
17 unless notice shall be waived. The presence of any member at any meeting of the  
18 board shall constitute a waiver of notice thereof by the member.
- 19 (4) The board may conduct investigations and schedule and conduct administrative  
20 hearings in accordance with KRS Chapter 13B, to enforce the provisions of this  
21 chapter or administrative regulations promulgated pursuant to this chapter. The  
22 board shall have the authority to administer oaths, receive evidence, interview  
23 persons, issue subpoenas, and require the production of books, papers, documents,  
24 or other evidence. In case of disobedience to a subpoena, the board may invoke the  
25 aid of any~~the Franklin~~ Circuit Court of competent jurisdiction. Any order or  
26 subpoena of the court requiring the attendance or testimony of witnesses or the  
27 production of documentary evidence may be enforced and shall be valid anywhere

- 1           in the Commonwealth.
- 2       (5) The board shall keep a minute book containing a record of all meetings of the  
3       board.
- 4       (6) The board shall maintain a register of all persons licensed or certified under this  
5       chapter. This register shall show the name of every licensee or certificate holder in  
6       this state, his current business and residence address and telephone numbers, and  
7       the date and number of his license or certificate. A licensee or certificate holder  
8       shall notify the board of a change of name, address, or telephone number, within  
9       thirty (30) days of the change.
- 10      (7) The board's records shall be updated annually.
- 11      (8) The board shall publish annually and make available, a current directory of all  
12      licensed physical therapists and certified physical therapists' assistants.
- 13      (9) The board shall adopt a seal which shall be affixed to every license and certificate  
14      granted by it.
- 15      (10) The board may promulgate administrative regulations establishing a measure of  
16      continued competency as a condition of license renewal.
- 17      (11) The board may promulgate and enforce reasonable administrative regulations for  
18      the effectuation of the purposes of this chapter pursuant to the provisions of KRS  
19      Chapter 13A.
- 20      (12) The board shall promulgate by administrative regulation a code of ethical standards  
21      and standards of practice.
- 22      (13) The board shall have the right to regulate physical therapists' assistants and may  
23      promulgate reasonable administrative regulations regarding certification, limitations  
24      of activities, supervision, and educational qualifications for physical therapists'  
25      assistants. The board may establish reasonable fees for the certification, renewal,  
26      and endorsement of physical therapists' assistants. The fees shall not exceed  
27      corresponding fees for physical therapists.

1 (14) The board shall promulgate administrative regulations governing the physical and  
2 mental examination of physical therapists, physical therapists' assistants, or  
3 applicants, who may be impaired by reason of a mental, physical, or other condition  
4 that impedes their ability to practice competently. For purposes of enforcing this  
5 section, the board shall have the power to order an immediate temporary suspension  
6 in accordance with KRS 13B.125 if there is a reasonable cause to believe that a  
7 physical therapist, physical therapist's assistant, or applicant may be impaired by  
8 reason of a mental, physical, or other condition that impedes his or her ability to  
9 practice competently.

10 ➔Section 238. KRS 327.075 is amended to read as follows:

11 (1) The board may reinstate within three (3) years a license or certificate which has  
12 lapsed, upon payment of the prescribed renewal fee and, in addition, the payment of  
13 a reinstatement fee to be promulgated by the board by administrative regulations.

14 (2) The board may reinstate a license or certificate which has been lapsed for more than  
15 three (3) years, upon showing that the applicant is able to practice with reasonable  
16 competency. In determining competency, the board may require the applicant to  
17 successfully complete all or any part of the required examination.

18 (3) The board may reinstate a license which has been suspended or revoked under  
19 provisions of this chapter if, after a hearing conducted in accordance with KRS  
20 Chapter 13B, the board determines the applicant is able to practice the profession  
21 with reasonable competency and is able to maintain the ethical code and standards  
22 of practice promulgated by administrative regulation. As a condition of  
23 reinstatement, the board may impose reasonable restrictions under which the  
24 licensee or certificate holder shall practice.

25 (4) Any person aggrieved by a final order of the board denying, suspending, or revoking  
26 his license or certificate may appeal to the Franklin Circuit Court *or the Circuit*  
27 *Court of the county where the person resides* in accordance with KRS Chapter

1 13B.

2 ➔Section 239. KRS 329.130 is amended to read as follows:

3 Any person affected by a final administrative decision of the cabinet may have such  
4 decision reviewed judicially by ~~any~~~~the~~ Circuit Court of competent jurisdiction~~[Franklin~~  
5 ~~County]~~.

6 ➔Section 240. KRS 329A.065 is amended to read as follows:

7 (1) The board may refuse to issue a license, or suspend, revoke, impose probationary  
8 conditions, impose an administrative fine, issue a written reprimand, or any  
9 combination thereof regarding any licensee upon proof that the licensee or applicant  
10 has:

11 (a) Violated any provision of KRS 329A.010 to 329A.090 or any administrative  
12 regulation promulgated by the board;

13 (b) Knowingly and willfully made a material misstatement in connection with an  
14 application for license or renewal;

15 (c) Been convicted of a felony, if in accordance with KRS Chapter 335B;

16 (d) Practiced fraud, deceit, or misrepresentation;

17 (e) Committed any act that would have been cause for refusal to issue the license  
18 had it existed and been known to the board at the time of issuance;

19 (f) Been incompetent or negligent in the practice of private investigating; or

20 (g) Violated the code of ethics promulgated by administrative regulation by the  
21 board.

22 (2) In addition to or in lieu of any other lawful disciplinary action under this section, the  
23 board may assess a civil penalty not exceeding two thousand dollars (\$2,000).

24 (3) When the board issues a written reprimand to the licensee a copy of the reprimand  
25 shall be placed in the permanent file of the licensee. The licensee shall have the  
26 right to submit a response within thirty (30) days of its receipt and to have that  
27 response filed in the permanent file.

- 1 (4) At any time during the investigative or hearing processes, the board may accept an  
2 assurance of voluntary compliance from the licensee if the assurance effectively  
3 deals with the complaint.
- 4 (5) The board may reconsider, modify, or reverse its probation, suspension, or other  
5 disciplinary action.
- 6 (6) Any party aggrieved by a disciplinary action of the board may bring an action in  
7 Franklin Circuit Court or in any county where the party resides or conducts  
8 business pursuant to the provisions of KRS Chapter 13B.
- 9 (7) A license shall be subject to expiration and renewal during any period in which the  
10 license is suspended.

11 ➔Section 241. KRS 332.212 is amended to read as follows:

12 Any person whose license to conduct a driver training school or act as a driver training  
13 instructor has been suspended or revoked, or whose application for issue or renewal of a  
14 license is refused, may request a hearing. The hearing request shall be in writing  
15 addressed to the commissioner who shall conduct a hearing thereon as soon as possible.  
16 The hearing shall be conducted in accordance with KRS Chapter 13B. Any person may  
17 appeal from the final order of the commissioner in the Franklin Circuit Court or the  
18 Circuit Court of any county where the person resides or conducts business in  
19 accordance with KRS Chapter 13B.

20 ➔Section 242. KRS 333.200 is amended to read as follows:

- 21 (1) In every proceeding for suspension or revocation of a license, the cabinet shall  
22 afford the medical laboratory director the opportunity for an administrative hearing  
23 to be conducted in accordance with KRS Chapter 13B. A license may be  
24 temporarily suspended through the issuance of an emergency order pursuant to KRS  
25 13B.125 for a period not in excess of twenty (20) days upon notice to the medical  
26 laboratory director following a finding by the cabinet that the public health, safety,  
27 or welfare is in imminent danger.

1 (2) Except as otherwise provided in this subsection, every final order of the cabinet  
2 suspending or revoking a license shall become effective thirty (30) days after notice  
3 is given to the medical laboratory director, unless the director within thirty (30) days  
4 from the giving of the notice, appeals therefrom in the manner provided by  
5 subsection (3) of this section. Provided, however, that the cabinet may, when in its  
6 opinion the continued operation of the medical laboratory during the time allowed  
7 for appeal would be dangerous to the health, welfare, and safety of the public,  
8 provide in its final order of suspension or revocation that the order shall become  
9 effective forthwith; and in this event the cabinet's order of suspension or revocation  
10 shall become effective as of the date specified therein, and the medical laboratory  
11 shall not, after notice of same, continue to operate under the license after revocation  
12 or during the period of suspension, unless and until the cabinet order is reversed or  
13 modified by a final and unappealable order or judgment of a court made pursuant to  
14 the provisions of subsection (3) of this section.

15 (3) Any medical laboratory which is aggrieved by a final order of the cabinet placing it  
16 on probation, or suspending or revoking its license may procure judicial review by  
17 filing a petition in the Circuit Court of Franklin County or the Circuit Court of any  
18 county where the laboratory transacts business~~[, Kentucky]~~, in accordance with  
19 KRS Chapter 13B.

20 ➔Section 243. KRS 334.180 is amended to read as follows:

21 (1) A licensee whose license has been revoked may petition the board for reinstatement.  
22 The board shall investigate the petition and may reinstate the license upon finding  
23 that the individual has complied with any terms prescribed by the board and is again  
24 able to engage in the practice of fitting hearing instruments.

25 (2) A licensee or applicant aggrieved by an order of the board refusing, suspending, or  
26 revoking a license may within thirty (30) days after notice thereof appeal~~f~~  
27 ~~thereupon~~ to the Franklin Circuit Court or the Circuit Court of any county where

1        *the licensee or applicant resides or conducts business*. The appeal shall be  
2        determined by the court upon the certified record and no new or additional evidence  
3        shall be heard or considered by the court. Either party aggrieved by a final order  
4        entered by the court may appeal to the Court of Appeals as in a civil action.

5        ➔Section 244. KRS 334A.080 is amended to read as follows:

6        (1) The board shall administer, coordinate, and enforce the provisions of this chapter,  
7        evaluate the qualifications of applicants, supervise the examination of applicants,  
8        and may issue subpoenas, examine witnesses, and administer oaths, and shall  
9        investigate persons engaging in practices which violate the provisions of this  
10       chapter.

11       (2) The board shall conduct administrative hearings in accordance with KRS Chapter  
12       13B. Any person aggrieved by a final order of the board may appeal to *the* Franklin  
13       Circuit Court *or the Circuit Court of any county where the person resides or*  
14       *conducts business*.

15       (3) The board shall keep records and minutes as necessary and shall promulgate  
16       responsible administrative regulations, including but not limited to, administrative  
17       regulations which delineate qualifications for licensure and renewal of licensure and  
18       which establish ethical standards of practice, and may amend or repeal the same.

19       (4) Every person who holds a license to practice speech-language pathology or  
20       audiology in this state shall be governed and controlled by the rules of professional  
21       conduct adopted by the board.

22       (5) The conferral or enumeration of specific powers elsewhere in this chapter shall not  
23       be construed as a limitation of the general powers conferred by this section.

24       (6) The board shall fix appropriate and reasonable fees for licensing, and shall  
25       periodically review and modify these fees as necessary.

26       ➔Section 245. KRS 334A.990 is amended to read as follows:

27       (1) Any person who violates any of the provisions of this chapter shall be guilty of a

1 misdemeanor punishable by imprisonment in the county jail not exceeding six (6)  
2 months, or by a fine not exceeding one thousand dollars (\$1,000) or by both.

3 (2) When any person other than a licensed speech-language pathologist, speech-  
4 language pathology assistant, or audiologist has engaged in any act or practice  
5 which constitutes an offense against this chapter, ~~any~~the Franklin Circuit Court of  
6 the county where the offense occurred, on application of the board, may issue an  
7 injunction or other appropriate order restraining the conduct.

8 ➔Section 246. KRS 335.070 is amended to read as follows:

9 (1) (a) The board shall administer and enforce the provisions of KRS 335.010 to  
10 335.160 and KRS 335.990, and shall evaluate applications and issue licenses  
11 to qualified applicants within forty-five (45) days of submission of the  
12 complete application packet and receipt of the official passing score report and  
13 the licensure fee.

14 (b) Within fifteen (15) days of accepting an applicant's payment and application  
15 packet, the board shall:

16 1. Notify the applicant that the application packet is complete, approve the  
17 applicant to sit for the national examination, and issue a temporary  
18 permit to engage in the practice of social work; or

19 2. Notify the applicant that the application packet is incomplete and, when  
20 all omitted application items are received, notify the applicant of receipt  
21 of the complete application packet, approve the applicant to sit for the  
22 national examination, and issue a temporary permit to engage in the  
23 practice of social work.

24 (c) The board shall evaluate the complete application packet and, within forty-  
25 five (45) days, notify a qualified applicant of the issuance of the permanent  
26 license pursuant to KRS 335.080, 335.090, or 335.100.

27 (d) If the board deems an applicant unqualified, the license may be denied and the

1 temporary permit to practice social work may be revoked.

2 (e) In order to be issued a temporary permit, an applicant shall have submitted:

3 1. A complete application packet as provided in this subsection, with the  
4 exception of a passing score on the required examination; and

5 2. If applying for licensure as a certified social worker or as a licensed  
6 clinical social worker, a letter from a licensed clinical social worker, or  
7 equivalent, who will supervise the applicant while under temporary  
8 permit in accordance with administrative regulations.

9 (2) The board may issue subpoenas, examine witnesses, pay appropriate witness fees,  
10 administer oaths, and investigate allegations of practices violating the provision of  
11 KRS 335.010 to 335.160 and KRS 335.990.

12 (3) The board may promulgate administrative regulations pursuant to KRS Chapter  
13 13A to carry out the provisions of KRS 335.010 to 335.160 and KRS 335.990.

14 (4) The board may conduct hearings pursuant to KRS Chapter 13B and keep records  
15 and minutes necessary to carry out the functions of KRS 335.010 to 335.160 and  
16 KRS 335.990.

17 (5) The board may employ any other persons it deems necessary to carry on the work of  
18 the board, and shall define their duties and fix their compensation.

19 (6) The board may renew licenses and require continuing education as a condition for  
20 license renewals, and shall authorize organizations to provide continuing education  
21 programs, including but not limited to:

22 (a) Schools of social work accredited by the Council on Social Work Education;

23 (b) The National Association of Social Workers-Kentucky Chapter; and

24 (c) The Kentucky Society of Clinical Social Workers.

25 (7) The board may, after a hearing conducted in accordance with KRS Chapter 13B,  
26 revoke, suspend, or refuse to issue or renew; impose probationary or supervisory  
27 conditions upon; impose administrative fines; issue written reprimands and

1 admonishments; or any combination of actions regarding licenses and licensees.

2 (8) The board may seek injunctive relief in any~~Franklin~~ Circuit Court of a county  
3 where a violation occurred to stop the unlawful practice of social work by  
4 unlicensed persons.

5 (9) The board may establish, by promulgation of administrative regulations, the  
6 requirements for temporary permits to practice social work.

7 (10) The board may enter into agreements with any organization for the creation and  
8 implementation of a social work impairment program, as specified in the  
9 agreement.

10 (11) The board shall refund any levied administrative assessments that it has received for  
11 practice by unlicensed individuals employed by organizations exempted from the  
12 application of KRS 335.010 to 335.160 and 335.990 by KRS 335.010(5).

13 ➔Section 247. KRS 335.155 is amended to read as follows:

14 (1) Before revoking, suspending, imposing probationary or supervisory conditions  
15 upon, imposing an administrative fine, issuing a written reprimand, or any  
16 combination of these actions regarding any license or licensee under the provisions  
17 of KRS 335.010 to 335.160 and 335.990, the board shall set the matter for hearing  
18 as provided by KRS Chapter 13B.

19 (2) After denying an application, refusing to renew a license, or issuing a written  
20 admonishment regarding any applicant, license, or licensee under the provisions of  
21 KRS 335.010 to 335.160 and 335.990, the board shall set the matter for hearing  
22 upon written request filed by the applicant or licensee within thirty (30) days of the  
23 date of the letter advising of the denial, refusal, or admonishment.

24 (3) Any party aggrieved by a final order of the board may appeal to the Franklin Circuit  
25 Court or the Circuit Court of any county where the party resides or conducts  
26 business as provided by KRS Chapter 13B.

27 ➔Section 248. KRS 335.160 is amended to read as follows:

1 If it appears to the board that a person is violating any provision of KRS 335.010 to  
2 335.160 and KRS 335.990, the board may institute, in its own name, in any[Franklin]  
3 Circuit Court of the county where a violation occurred, a proceeding to restrain and  
4 enjoin the violation without regard to whether proceedings have been, or may be  
5 instituted under other provisions of KRS 335.010 to 335.160 and KRS 335.990. The  
6 board or any member thereof, shall not be required to furnish bond for any costs or filing  
7 fees in connection with the proceeding.

8       ➔Section 249. KRS 335.325 is amended to read as follows:

9 The board may:

- 10 (1) Employ needed personnel;
- 11 (2) Issue subpoenas, examine witnesses, pay appropriate witness fees, administer oaths,  
12 and investigate allegations of practices violating the provisions of this chapter;
- 13 (3) Seek injunctive relief in any[Franklin] Circuit Court of any county where a  
14 violation has occurred to stop the unlawful practice of marriage and family therapy  
15 by unlicensed persons;
- 16 (4) Conduct hearings pursuant to KRS Chapter 13B and keep records and minutes  
17 necessary to carry out the functions of this chapter;
- 18 (5) Suspend or revoke licenses or permits or impose supervisory or probationary  
19 conditions upon licensees or permit holders, or impose administrative disciplinary  
20 fines, issue written reprimands or admonishments, or any combination thereof;
- 21 (6) Grant retired or inactive licensure status under conditions set forth by the board by  
22 the promulgation of administrative regulations;
- 23 (7) Enter into reciprocal agreements with boards of marriage and family therapy in  
24 other states having licensure qualifications and requirements that meet or exceed  
25 those provided in this chapter;
- 26 (8) Organize itself into two (2) panels to separate the functions of inquiry and hearings.  
27 Each panel shall have the power to act as either an inquiry or hearing panel. No

1 member serving on the inquiry panel shall serve on the hearing panel for any one  
2 particular case. Any final decision of the hearing panel shall be considered as the  
3 final decision of the board and the hearing panel may exercise all powers granted to  
4 the board pursuant to KRS Chapter 13B; and

5 (9) Utilize mediation as a technique to resolve disciplinary matters.

6 ➔Section 250. KRS 335.515 is amended to read as follows:

7 (1) The board shall administer and enforce the provisions of KRS 335.500 to 335.599  
8 and shall evaluate the qualifications of applicants for licensure.

9 (2) The board may issue subpoenas, examine witnesses, pay appropriate witness fees,  
10 administer oaths, and investigate allegations of practices violating the provisions of  
11 KRS 335.500 to 335.599.

12 (3) The board shall promulgate administrative regulations pursuant to KRS Chapter  
13 13A as necessary to carry out and enforce the provisions of KRS 335.500 to  
14 335.599, including the establishment of fees.

15 (4) The board shall conduct hearings as necessary pursuant to KRS Chapter 13B and  
16 shall keep records and minutes necessary to carry out the function of KRS 335.500  
17 to 335.599.

18 (5) The board shall issue credentials to qualified candidates.

19 (6) The board shall renew credentials subject to the provisions of KRS 335.535 and  
20 shall require ten (10) continuing education hours as a condition for renewal each  
21 year.

22 (7) The board may suspend or revoke credentials, impose supervisory or probationary  
23 conditions upon certificate holders, impose administrative disciplinary fines, issue  
24 written reprimands and admonishments, or perform any combination thereof.

25 (8) The board may seek injunctive relief in ~~the Franklin~~ Circuit Court ***of any county***  
26 ***where a violation occurred*** to enjoin violation of KRS 335.505(1).

27 (9) The board may grant retired status or inactive status to a credential holder under

1 conditions set out in administrative regulations promulgated by the board.

2 (10) The board may employ persons as necessary to carry on its work and shall define  
3 those persons' duties and fix their compensation.

4 (11) The board shall promulgate by administrative regulation a code of ethics for and  
5 standards of practice for all credential holders.

6 (12) The board may enter into reciprocal agreements with certified or licensed  
7 professional counseling boards.

8 ➔Section 251. KRS 335.550 is amended to read as follows:

9 Any party aggrieved by a disciplinary action of the board may bring an action in *the*  
10 Franklin Circuit Court *or the Circuit Court of any county where the party resides or*  
11 *conducts business* pursuant to the provisions of KRS Chapter 13B.

12 ➔Section 252. KRS 335.635 is amended to read as follows:

13 Any person or organization, including the board upon its own volition, may file with the  
14 board a written complaint alleging violation of any provision of KRS 335.600 to 335.699.  
15 The board shall cause the complaint to be investigated.

16 (1) If the investigation reveals evidence supporting the complaint, the board shall set  
17 the matter for hearing in accordance with the provisions of KRS Chapter 13B before  
18 refusing to renew, revoking, reprimanding, imposing probation or an administrative  
19 fine, or any combination of actions regarding any license holder.

20 (2) After denying an application for licensure under KRS 335.600 to 335.699, the board  
21 may grant a hearing to the denied applicant in accordance with the provisions of  
22 KRS Chapter 13B.

23 (3) The board may reconsider, modify, or reverse its decision on any disciplinary  
24 action.

25 (4) Any party aggrieved by a disciplinary action of the board may bring an action in *the*  
26 Franklin Circuit Court *or the Circuit Court of any county where the party resides*  
27 *or conducts business* in accordance with the provisions of KRS Chapter 13B.

1           ➔Section 253. KRS 335B.030 is amended to read as follows:

- 2       (1) (a) If a hiring or licensing authority denies an individual a position of public  
3           employment solely because of the individual's prior conviction of a crime, the  
4           hiring or licensing authority shall notify the individual in writing of the  
5           following:
- 6           1. The grounds and reasons for the denial or disqualification;
  - 7           2. That the individual has the right to a hearing conducted in accordance  
8           with KRS Chapter 13B, if written request for hearing is made within ten  
9           (10) days after service of notice;
  - 10          3. The earliest date the person may reapply for a position of public  
11          employment or a license; and
  - 12          4. That evidence of rehabilitation may be considered upon reapplication.
- 13       (b) Any party aggrieved by a final order issued by a hiring or licensing authority  
14       after a hearing under this subsection may appeal to Franklin Circuit Court or  
15       *the Circuit Court of the county in which the party resides* in accordance with  
16       KRS Chapter 13B.
- 17       (2) (a) Except as provided in paragraph (b) of this subsection, a hiring or licensing  
18       authority shall not disqualify an individual from pursuing, practicing, or  
19       engaging in any occupation for which a license is required solely because of  
20       the individual's prior conviction of a crime, unless the authority provides the  
21       individual with a written notice that the authority has determined that the prior  
22       conviction may disqualify the person, demonstrates the connection between  
23       the prior conviction and the license being sought, and affords the individual an  
24       opportunity to be personally heard before the board prior to the board making  
25       a decision on whether to disqualify the individual. If the license is denied after  
26       the person was heard, the hiring or licensing authority shall notify the  
27       individual in writing of the following:

- 1           1.    The grounds and reasons for the denial or disqualification;
- 2           2.    That the individual has the right to a hearing conducted in accordance
- 3                 with KRS Chapter 13B, if a written request for hearing is made within
- 4                 ten (10) days after service of notice;
- 5           3.    The earliest date the person may reapply for a license; and
- 6           4.    That evidence of rehabilitation may be considered upon reapplication.
- 7   (b) If an individual's prior conviction was for a Class A felony, a Class B felony,
- 8         or any felony offense that would qualify the individual as a registrant pursuant
- 9         to KRS 17.500, there shall be a rebuttable presumption that a connection
- 10         exists between the prior conviction and the license being sought.
- 11   (c) Any party aggrieved by a final order issued by a hiring or licensing authority
- 12         after a hearing under this subsection may appeal to Franklin Circuit Court or
- 13         *the Circuit Court of any county in which the party resides or conducts*
- 14         *business* in accordance with KRS Chapter 13B.
- 15   (3) Except as provided in subsection (2)(b) of this section, in any administrative
- 16         hearing or civil litigation authorized under this section, the hiring or licensing
- 17         authority shall carry the burden of proof on the question of whether the prior
- 18         conviction directly relates to the position of employment sought or the occupation
- 19         for which the license is sought.
- 20   ➔Section 254. KRS 338.091 is amended to read as follows:
- 21   (1) Any party adversely affected or aggrieved by a final order of the review commission
- 22         may appeal within thirty (30) days to the Franklin Circuit Court or the Circuit
- 23         *Court of any county where the party resides or conducts business* on the record for
- 24         a review of such order. No new evidence may be introduced in the Circuit Court.
- 25         An appeal may be taken to the Court of Appeals from any decision of the Circuit
- 26         Court under this section.
- 27   (2) The commencement of proceedings under this section shall not, unless ordered by

1 the court, operate as a stay of an order of the review commission.

2 ➔Section 255. KRS 338.101 is amended to read as follows:

3 (1) In order to carry out the purposes of this chapter, the commissioner or the  
4 commissioner's authorized representative shall have the authority:

5 (a) To enter without delay and advance notice any place of employment during  
6 regular working hours and at other reasonable times in order to inspect such  
7 places, question privately any such employer, owner, operator, agent,  
8 employee, or employee's representative, and investigate such facts, conditions,  
9 practices, or matters deemed appropriate to determine the cause of, or to  
10 prevent the occurrence of, any occupational injury or illness.

11 (b) To administer oaths, take depositions, conduct hearings, take photographs,  
12 review any and all accident and illness records, and secure any other evidence  
13 deemed necessary to evaluate any occupational safety and health hazard in  
14 order to ascertain whether any person has violated any provision of this  
15 chapter or regulations issued pursuant thereto.

16 (2) If an employer refuses such entry, then the commissioner may apply to the  
17 ~~Franklin~~ Circuit Court **of any county where the place of employment is located** for  
18 an order to enforce the right of entry.

19 ➔Section 256. KRS 338.131 is amended to read as follows:

20 (1) Whenever an authorized representative of the commissioner determines that  
21 conditions in any place of employment are of an imminent danger which reasonably  
22 could be expected to cause death or serious physical harm, then he or she shall order  
23 the danger to be immediately abated. Any order issued under this section may  
24 require such steps to be taken as may be necessary to avoid, correct, or remove such  
25 imminent danger and prohibit the employment or presence of any individual in  
26 locations or under conditions where such imminent danger exists, except  
27 individuals whose presence is necessary to avoid, correct, or remove such imminent

1 danger or to maintain the capacity of a continuous process operation to resume  
2 normal operations without a complete cessation of operations, or where a cessation  
3 of operations is necessary, to permit such to be accomplished in a safe and orderly  
4 manner.

5 (2) In the event the danger is not abated immediately, the commissioner shall apply to  
6 ~~any~~~~[the Franklin]~~ Circuit Court of competent jurisdiction for an order to restrain  
7 such condition or practice.

8 ➔Section 257. KRS 341.265 is amended to read as follows:

9 (1) Any employing unit refusing to make reports required under this chapter within ten  
10 (10) days after written notice sent by the cabinet to such employing unit's last  
11 known address by certified mail, notifying such employing unit that this section will  
12 be invoked unless such reports are filed, may be restrained or enjoined from  
13 continuing in business in this state or employing persons herein until such reports  
14 have been made.

15 (2) Any employing unit actively engaged in business in this state which is found  
16 delinquent in the payment of contributions by the cabinet, may, after ten (10) days'  
17 written notice by the cabinet sent to such employing unit's last known address by  
18 certified mail notifying such employing unit that this section will be invoked unless  
19 such delinquency is satisfied, be restrained or enjoined from continuing in business  
20 in this state or employing persons herein until such delinquency has been satisfied  
21 or until such employing unit shall have furnished bond with surety approved by the  
22 court in a sum equal to the amount of such delinquency, plus any other unpaid  
23 contributions due under this chapter and such further sum as the court shall deem  
24 adequate to protect the cabinet in the collection of contributions which may become  
25 due for the next ensuing six (6) months, said bond to be conditioned upon payment  
26 of such judgment and contributions upon such terms and at such time as the court  
27 may fix.

1 (3) Proceedings under the provisions of this section may be instituted upon complaint  
2 filed by the cabinet in ~~the Franklin Circuit Court or any other~~ court of competent  
3 jurisdiction **where the employing unit conducts business** in accordance with  
4 Kentucky Rules of Civil Procedure, except that no bond shall be required of the  
5 Commonwealth or the cabinet.

6 ➔Section 258. KRS 341.300 is amended to read as follows:

7 (1) Contributions unpaid on the date on which they are due and payable, as prescribed  
8 by the secretary, shall be subject to interest at the rate of one and five-tenths percent  
9 (1.5%) per month or fraction thereof, not to exceed ninety percent (90%) of the  
10 amount of such contributions, from and after such date until payment is received by  
11 the Office of Employment and Training, Department of Workforce Investment,  
12 irrespective of whether such delinquency has been reduced to a judgment or not as  
13 provided in subsection (2) of this section or is the subject of an administrative  
14 appeal or court action. Such interest shall be paid into the unemployment  
15 compensation administration fund.

16 (2) If, after due notice, any subject employer defaults in any payment of contributions,  
17 interest or penalties thereon, the amount due shall be collected by a civil action  
18 instituted in **any**~~the Franklin~~ Circuit Court or ~~the Franklin~~ District Court **of the**  
19 **county where the employer is located** depending upon the jurisdictional amount in  
20 controversy including interest and penalties in the name of the state, and the subject  
21 employer adjudged in default shall pay the costs of the action. Civil actions brought  
22 under this section shall be heard by the court, without the intervention of a jury, at  
23 the earliest possible date, and shall be entitled to preference upon the calendar of the  
24 court over all other civil actions except petitions for judicial review under this  
25 chapter and cases arising under the workers' compensation law.

26 (3) At or after the commencement of an action under subsection (2) of this section,  
27 attachment may be had against the property of the liable subject employer for such

1 contributions, interest, and penalties, without the execution of a bond, or after  
2 judgment has been entered an execution may be issued against the property of such  
3 employer without the execution of a bond.

4 (4) An action for the recovery of contributions, interest, or penalties under this section  
5 shall be barred and any lien therefor shall be canceled and extinguished unless  
6 collected or suit for collection has been filed within ten (10) years from the due date  
7 of such contributions, except, in the case of the filing of a false or fraudulent report,  
8 the contributions due shall not be barred and may at any time be collected by the  
9 methods set out in this chapter, including action in a court of competent jurisdiction.

10 ➔Section 259. KRS 341.310 is amended to read as follows:

11 (1) A lien on a parity with state, county, and municipal ad valorem tax liens, and  
12 superior to the lien of any mortgage or other encumbrance heretofore or hereafter  
13 created is hereby created in favor of the cabinet upon all property of any subject  
14 employer from whom contributions, interest or penalties are or may hereafter  
15 become due. The lien shall commence from such time as any assessment becomes  
16 delinquent and it shall continue until the amount of the original assessment and any  
17 subsequent assessments of liability for contributions, interest, penalties or fees are  
18 fully paid. The lien shall attach to all interest in property, either real or personal,  
19 then owned or subsequently acquired by the person against whom the assessment is  
20 made. The cabinet may file notice of the lien with the county clerk of any county or  
21 counties in which the subject employer's business or residence is located, or in any  
22 county in which the subject employer has interest in property and such notice shall  
23 be recorded in the same manner as notices of lis pendens are and the file shall be  
24 designated "miscellaneous state tax liens." Such recordation shall constitute notice  
25 of both the original assessment and all subsequent assessments of liability against  
26 the same subject employer. Upon request, the cabinet shall disclose the specific  
27 amount of liability at a given date to any interested party legally entitled to such

1 information. The notice, when so filed, shall be conclusive notice to all persons of  
2 the lien on the property having legal situs in that county, except that nothing in this  
3 chapter shall be construed to alter or change in any way the law relative to the rights  
4 and duties of a holder in due course as provided in KRS Chapter 355, Art. 3, or  
5 affect the rights of any person taking the property or a lien thereon for value without  
6 actual or constructive notice. The clerk shall be entitled to a fee pursuant to KRS  
7 64.012 for filing the lien and the subsequent release or partial release, and said fee  
8 shall become a part of the lien as an added cost of the delinquent subject employer  
9 to be paid by him as a part of the amount necessary to release the lien and shall not  
10 be the responsibility of the Commonwealth.

11 (2) In addition and as an alternative to any other remedy, the secretary may enforce the  
12 lien by petition in the name of this state to any~~the Franklin~~ Circuit Court of  
13 competent jurisdiction~~[, if the ministerial acts necessary to enforce the lien by the~~  
14 ~~sale of the liened property or any part of it are performed by the appropriate officers~~  
15 ~~of the Circuit Court of the county in which the property is situated under the~~  
16 ~~direction of and reporting to the Franklin Circuit Court]~~. The manner of  
17 enforcement shall be the same as that provided for the enforcement of other tax  
18 liens.

19 (3) (a) The secretary may issue a certificate of release of lien upon the furnishing of a  
20 corporate surety bond satisfactory to the secretary by such employing unit in  
21 the amount of one hundred twenty-five percent (125%) of the sum of such  
22 contributions, interest and penalty, for which lien is claimed, conditioned  
23 upon the prompt payment of such contribution, together with interest and  
24 penalty thereon, by such employing unit to the cabinet in accordance with the  
25 provisions set forth in such bond.

26 (b) The secretary may issue a certificate of partial release of any part of the  
27 property subject to the lien if he finds that the fair market value of that part of

1 such property remaining subject to the lien is at least equal to the amount of  
2 all other liens upon such property plus double the amount of the liability for  
3 contributions, interest and penalties thereon remaining unsatisfied.

4 (c) The secretary may issue a certificate of partial release of any part of the  
5 property or individual piece of property subject to the lien if he finds that the  
6 interest of the Commonwealth in the property to be so released has no value.

7 ➔Section 260. KRS 341.460 is amended to read as follows:

8 (1) In all cases of appeals arising under KRS 341.360(1)(a) or KRS 341.430(2) court  
9 review may be had as provided in KRS 341.450~~[except that review shall be had to~~  
10 ~~the Franklin Circuit Court].~~

11 (2) A claimant who has been denied benefits under KRS 341.360(1)(a) may appeal for  
12 himself and for and on behalf of all other claimants similarly situated within that  
13 establishment or other establishments whose claims were denied by reason of the  
14 same alleged labor dispute or strike. An employer may appeal to the Franklin  
15 Circuit Court *or the Circuit Court of the county where the employer is located*  
16 from the decision of the commission allowing benefits under KRS 341.360(1)(a)  
17 and all the workers in his establishment may be joined in such appeal.

18 ➔Section 261. KRS 341.614 is amended to read as follows:

19 (1) Effective January 1, 2014, there shall be a surcharge upon all subject contributing  
20 employers for any year there are insufficient funds in the unemployment  
21 compensation administration fund for the payment of interest on advances under  
22 Title XII of the Social Security Act or for the repayment of money, including any  
23 interest thereon, received from any source related to the payment of interest on such  
24 advances.

25 (2) (a) The surcharge shall be twenty-two hundredths of one percent (0.22%) of the  
26 first nine thousand six hundred dollars (\$9,600) in wages paid to each worker  
27 by a subject contributing employer or his predecessor with respect to covered

1 employment during any calendar year.

2 (b) Effective January 1, 2015, and each calendar year thereafter, the secretary  
3 shall adjust the surcharge percentage rate based on any increase to the taxable  
4 wage base for that calendar year as provided in KRS 341.030(7). The purpose  
5 of the adjustment shall be to maintain costs per worker comparable to the  
6 original surcharge. Any reduction in the surcharge percentage rate shall  
7 correspond to the increase to the taxable wage base for that calendar year and  
8 shall be rounded up to the nearest one-hundredth of one percent (0.01%).

9 (c) Notwithstanding paragraph (b) of this subsection, the secretary may reduce the  
10 surcharge percentage rate or suspend the surcharge for any calendar year based  
11 on the balance of the unemployment insurance interest payment fund and the  
12 projected amount due for interest on advances under Title XII of the Social  
13 Security Act and for repayment of money, including any interest thereon,  
14 received from any source related to the payment of interest on such advances.

15 (3) The surcharge established in this section shall be due and payable at the same time  
16 and in the same manner as employer contributions. Any surcharge collected shall be  
17 deposited in the unemployment insurance interest payment fund.

18 (4) Any surcharge unpaid on the date on which it is due and payable, pursuant to  
19 subsection (3) of this section, shall be subject to interest at the rate of one and one-  
20 half percent (1.5%) per month or fraction thereof, not to exceed ninety percent  
21 (90%) of the amount of such surcharge, from and after such date until payment is  
22 received by the cabinet, regardless of whether such delinquency has been reduced to  
23 a judgment or not as provided in subsection (6) of this section or is the subject of an  
24 administrative appeal or court action. The interest collected shall be deposited in the  
25 unemployment insurance interest payment fund.

26 (5) A lien of the same nature and having the same force, effect, and priority as provided  
27 in KRS 341.310 shall commence on all property of a subject contributing employer

- 1 delinquent in the payment of any surcharge or interest thereon.
- 2 (6) If, after due notice, any subject contributing employer defaults in payment of any  
3 surcharge or interest thereon, the amount due may be collected by a civil action  
4 instituted in the ~~Franklin~~ Circuit Court or the ~~Franklin~~ District Court ***of the***  
5 ***county in which the subject contributing employer has its principal place of***  
6 ***business*** depending on the jurisdictional amount in controversy, including interest  
7 and penalties, in the name of the state, and the subject contributing employer  
8 adjudged in default shall pay the costs of the action. Civil actions brought under this  
9 section shall be heard by the court, without the intervention of a jury, at the earliest  
10 possible date and shall be entitled to preference on the calendar of the court over all  
11 other civil actions, except petitions for judicial review under this chapter and cases  
12 arising under the Kentucky workers' compensation law.
- 13 (7) At or after the commencement of an action under subsection (6) of this section,  
14 attachment may be had against the property of the liable subject contributing  
15 employer for such surcharge and interest without execution of a bond, or, after  
16 judgment has been entered, an execution may be issued against the property of such  
17 employer without the execution of a bond.
- 18 (8) An action for the recovery of a surcharge or interest thereon under this section shall  
19 be barred, and any lien therefor shall be canceled and extinguished, unless collected  
20 or suit for collection has been filed within ten (10) years from the due date of such  
21 surcharge.
- 22 (9) Notwithstanding subsection (6) of this section, any delinquent surcharge or interest  
23 thereon may be collected in accordance with the levy and distraint provisions of this  
24 chapter.
- 25 (10) Any delinquent surcharge or interest collected after July 31, 2017, shall not be  
26 subject to the credit provisions contained in KRS 341.612 and shall be deposited  
27 into the penalty and interest account.

1           ➔Section 262. KRS 342.380 is amended to read as follows:

2 No policy of insurance or rider to be used therewith shall be issued or delivered until a  
3 copy of its form has been filed with the commissioner of the Department of Insurance at  
4 least thirty (30) days before such issue or delivery, unless before the expiration of thirty  
5 (30) days the commissioner of the Department of Insurance has approved the form thereof  
6 in writing; nor if the commissioner of the Department of Insurance notifies the company  
7 in writing that in his opinion the form of the policy or rider does not comply with the laws  
8 of this state, specifying fully the reasons for his opinion. Upon petition of the company,  
9 the decision of the commissioner of the Department of Insurance shall be subject to  
10 review by the Franklin Circuit Court or the Circuit Court of the county where the  
11 company is located and to appeal therefrom to the Court of Appeals.

12           ➔Section 263. KRS 341.800 is amended to read as follows:

13 (1) In addition to any other remedy provided by the laws of the Commonwealth, if any  
14 subject employer assessed or determined liable for the payment of contributions,  
15 including penalties and interest, refuses to pay contributions when due and has not  
16 sought administrative or judicial review of the assessment or determination as  
17 provided for in this chapter, or if such subject employer has exhausted or abandoned  
18 administrative or judicial review provided in this chapter so that the assessment or  
19 determination is final, due, and owing, then the secretary or his delegate may cause  
20 a demand to be made on the subject employer for the payment thereof. If the  
21 contributions, including interest and penalties, remain unpaid for ten (10) days after  
22 demand, then the secretary or his delegate may collect the contributions, including  
23 interest and penalties, and the costs of such collection by levy upon all nonexempt  
24 real and personal property, disposable earnings, and right to property belonging to  
25 the subject employer or on which there is a lien provided in this chapter for the  
26 payment of such contributions.

27 (2) As soon as practicable after seizure of property, notice in writing shall be given by

1 the secretary or his delegate to the owner of the property. The notice shall be given  
2 to the owner either in person or by certified mail to his last known address. Such  
3 notice shall specify the sum demanded and shall contain, in the case of personal  
4 property, an account of the property seized and, in the case of real property, a  
5 description with reasonable certainty of the property seized.

6 (3) The secretary or his delegate shall, as soon as practicable after the seizure of the  
7 property, cause a notification of the sale of the seized property to be published in the  
8 newspaper with the largest circulation within the county wherein such seizure is  
9 made. Such notice shall be published once each week for three (3) successive  
10 weeks. In addition, such notice shall be posted at the courthouse and three (3) other  
11 public places in the county where the seizure is made for fifteen (15) days next  
12 preceding sale. The notice shall specify the property to be sold and the time, place,  
13 manner, and condition of the sale thereof.

14 (4) If any property liable to levy is not divisible, so as to enable the secretary or his  
15 delegate by sale of a part thereof to raise the whole amount of the contributions,  
16 penalty, interest, and cost of the levy, the whole of such property shall be sold.

17 (5) The time of sale shall not be less than thirty (30) nor more than ninety (90) days  
18 from the time the seizure is made. The place of sale shall be within the county in  
19 which the property is seized, except by special order of the secretary.

20 (6) The sale shall not be conducted in any manner other than by public auction, or by  
21 public sale under sealed bids. In the case of the seizure of several items of property,  
22 the secretary or his delegate may offer such items for sale separately, in groups, or  
23 in the aggregate and accept whichever method produces the highest aggregate  
24 amount.

25 (7) The secretary or his delegate shall determine whether payment in full shall be  
26 required at the time of acceptance of a bid, or whether a part of such payment may  
27 be deferred for such period, not to exceed one (1) month, as he may determine to be

1 appropriate. If payment in full is required at the time of acceptance of a bid and is  
2 not then and there paid, the secretary or his delegate shall forthwith proceed to again  
3 sell the property as provided in subsection (6) of this section. If the conditions of the  
4 sale permit part of the payment to be deferred, and if such part is not paid within the  
5 prescribed period, suit may be instituted in the ~~Franklin Circuit Court or the~~  
6 Circuit Court of the county where the sale was conducted against the purchaser for  
7 the purchase price or such part thereof as has not been paid, together with interest at  
8 the rate of twelve percent (12%) per annum from the date of the sale; or, in the  
9 discretion of the secretary, the sale may be declared to be null and void for failure to  
10 make full payment of the purchase price and the property may again be advertised  
11 and sold as provided in this section. In the event of such readvertisement and sale,  
12 any new purchaser shall receive such property or rights to property, free and clear of  
13 any claim or right of the former defaulting purchaser, of any nature whatsoever, and  
14 the amount paid upon the bid price by such defaulting purchaser shall be forfeited.

15 (8) If the secretary or his delegate determines that any property seized is liable to perish  
16 or become greatly reduced in price or value by keeping, or that such property cannot  
17 be kept without great expense, he shall appraise the value of such property and, if  
18 the owner of the property can be readily found, the secretary or his delegate shall  
19 give him notice of such determination of the appraised value of the property. The  
20 property shall be returned to the owner if, within such time as may be specified in  
21 the notice, the owner pays to the secretary or his delegate an amount equal to the  
22 appraised value or gives bond in such form, with such sureties, and in such amount  
23 as the secretary or his delegate determines to be appropriate in the circumstances. If  
24 the owner does not pay such amount or furnish such bond in accordance with this  
25 subsection, the secretary or his delegate shall as soon as practicable make public  
26 sale of the property without regard to the advertisement requirements or the time  
27 limitations contained in subsections (3) and (5) of this section.

1 (9) No proceedings under this section shall be commenced more than ten (10) years  
2 after the assessment or determination becomes final.

3 (10) The term "levy" as used in KRS 341.800 to 341.830 includes the power of distraint  
4 and seizure. A levy shall extend only to property possessed and obligations existing  
5 at the time thereof. In any case in which the secretary or his delegate may levy upon  
6 property or rights thereto, he may seize and sell such property and rights to property,  
7 whether real, personal, tangible, or intangible.

8 ➔Section 264. KRS 342.402 is amended to read as follows:

9 The commissioner, upon showing a certification of noncompliance, may temporarily  
10 restrain or temporarily or permanently enjoin the further operation of any employer  
11 covered by this chapter. The action shall be brought in the~~Franklin~~ Circuit Court of the  
12 county where the employer has its principal place of business.

13 ➔Section 265. KRS 342.447 is amended to read as follows:

14 (1) All funds collected by insurance companies from their insureds, prior to October 26,  
15 1987, for assessments of the Kentucky Reinsurance Association or special fund  
16 taxes and assessments of the Kentucky Department of Revenue not previously paid,  
17 shall be paid in full by January 1, 1988, to the Kentucky Workers' Compensation  
18 Funding Commission.

19 (2) To ensure compliance with the provisions of subsection (1) of this section, the  
20 Department of Revenue shall conduct audits of insurance companies. The costs of  
21 such audits shall be borne by the Kentucky Workers' Compensation Funding  
22 Commission. The Department of Revenue may enter an agreement with the  
23 Department of Insurance for assistance in conducting such audits or it may hire  
24 additional auditors on a temporary basis. The audits shall commence within sixty  
25 (60) days from October 26, 1987, and shall be completed within six (6) months. The  
26 aggregate findings of such audits shall be presented to the commissioner of revenue,  
27 the commissioner of insurance, the Kentucky Workers' Compensation Funding

1 Commission, and the Governor.

2 (3) If the audits reveal noncompliance with subsection (1) of this section, the  
3 Department of Revenue shall notify the affected party of such fact. The affected  
4 party shall remit the amount in question not later than thirty (30) days following  
5 notification and the Department of Revenue shall institute a civil action in  
6 any~~Franklin~~ Circuit Court ***of competent jurisdiction*** if remittance is not made  
7 within such thirty (30) day period.

8 (4) The failure of an insurance company to comply with the provisions of this section  
9 shall constitute grounds for the revocation by the commissioner of insurance of such  
10 entity's authority to write workers' compensation coverage in the Commonwealth.

11 (5) The Department of Revenue shall report to the commissioner of insurance the  
12 failure of any insurance company to comply with the provisions of this section and  
13 the commissioner of insurance shall institute revocation procedures of such entity's  
14 authority to write workers' compensation coverage in the Commonwealth.

15 (6) "Funds collected" as used in subsection (1) of this section shall mean all funds  
16 collected without reduction for credits, refund, or returns of any type made to  
17 insureds or group members after September 1, 1987.

18 ➔Section 266. KRS 342.843 is amended to read as follows:

19 (1) The Attorney General and the Auditor of Public Accounts shall monitor the  
20 operations of the authority.

21 (2) Either the Attorney General or the Auditor of Public Accounts, or both, may make  
22 at any time any examinations or investigations, jointly or severally, of the  
23 operations, practices, management, or other matters relating to the authority as they  
24 deem necessary. Either of them shall have the power to subpoena witnesses and  
25 records for these purposes, and otherwise to compel the giving of evidence for any  
26 matter under study. The Attorney General, the Auditor of Public Accounts, or any  
27 employee authorized by either of them may require the giving of this evidence

1 under oath and may administer the oath. Any person voluntarily providing  
2 information or evidence may be required to do so under oath administered by the  
3 Attorney General, the Auditor of Public Accounts, or any employee authorized by  
4 either of them. If any person fails or refuses to testify or furnish documentary  
5 evidence concerning any matter requested, ~~any~~~~[the Franklin]~~ Circuit Court **where**  
6 **the person may be located**, on application of either the Attorney General or the  
7 Auditor of Public Accounts or both, may compel obedience by proceedings for  
8 contempt as in the case of disobedience of a subpoena issued from the Circuit Court  
9 or of a refusal to testify in the Circuit Court.

10 (3) The Attorney General and the Auditor of Public Accounts shall have without  
11 restriction:

12 (a) Full access to all records of the authority, except that confidential medical  
13 records of employees of insureds are available only by subpoena;

14 (b) Full access to all financial transactions and investigations of the authority; and

15 (c) The right to attend all meetings of the board and its committees.

16 (4) If fraud, mismanagement, illegal activity, imprudent practices, or other deficiencies  
17 are found in the operations or other practices of the authority, the Attorney General  
18 or Auditor of Public Accounts, or both shall:

19 (a) Recommend internal corrective action;

20 (b) Institute a civil action or action for injunctive relief to compel corrective  
21 action;

22 (c) Institute criminal proceedings against any officer or employee of the authority  
23 or any other person, as defined in KRS 446.010, as may be necessary; or

24 (d) Any combination of the above listed actions or any other form of action  
25 reasonably calculated to assure efficient and honest operations of the authority  
26 and those involved with it.

27 (5) The Attorney General and the Auditor of Public Accounts shall report jointly to the

1 General Assembly in January of each year in which the General Assembly convenes  
2 in an even-numbered-year regular session the results of the monitoring activities  
3 required by this section.

4 ➔Section 267. KRS 342.990 is amended to read as follows:

- 5 (1) The commissioner shall initiate enforcement of civil and criminal penalties imposed  
6 in this section.
- 7 (2) When the commissioner receives information that he or she deems sufficient to  
8 determine that a violation of this chapter has occurred, he or she shall seek civil  
9 penalties pursuant to subsections (3) to (7) of this section, criminal penalties  
10 pursuant to subsections (8) and (9) of this section, or both.
- 11 (3) The commissioner shall initiate enforcement of a civil penalty by simultaneously  
12 citing the appropriate party for the offense and stating the civil penalty to be paid.
- 13 (4) If, within fifteen (15) working days from the receipt of the citation, a cited party  
14 fails to notify the commissioner that he or she intends to contest the citation, then  
15 the citation shall be deemed final.
- 16 (5) If a cited party notifies the commissioner that he or she intends to challenge a  
17 citation issued under this section, the commissioner shall cause the matter to be  
18 heard as soon as practicable by an administrative law judge and in accordance with  
19 the provisions of KRS Chapter 13B. The burden of proof shall be upon the attorney  
20 representing the commissioner to prove the offense stated in the citation by a  
21 preponderance of the evidence. The parties shall stipulate to uncontested facts and  
22 issues prior to the hearing before the administrative law judge. The administrative  
23 law judge shall issue a ruling within sixty (60) days following the hearing.
- 24 (6) A party may appeal the ruling of the administrative law judge to the Franklin Circuit  
25 Court or the Circuit Court of the county where the party resides or conducts  
26 business in conformity with KRS 13B.140.
- 27 (7) The following civil penalties shall be applicable for violations of particular

1 provisions of this chapter:

- 2 (a) Any employer, insurer, or payment obligor subject to this chapter who fails to  
3 make a report required by KRS 342.038 within fifteen (15) days from the date  
4 it was due, shall be fined not less than one hundred dollars (\$100) nor more  
5 than one thousand dollars (\$1,000) for each offense;
- 6 (b) Any employer, insurer, or payment obligor acting on behalf of an employer  
7 who fails to make timely payment of a statement for services under KRS  
8 342.020(1) without having reasonable grounds to delay payment may be fined  
9 not less than one hundred dollars (\$100) nor more than one thousand dollars  
10 (\$1,000) for each offense;
- 11 (c) Any person who violates KRS 342.020(9), 342.035(2), 342.040, 342.340,  
12 342.400, 342.420, or 342.630 shall be fined not less than one hundred dollars  
13 (\$100) nor more than one thousand dollars (\$1,000) for each offense. With  
14 respect to employers who fail to maintain workers' compensation insurance  
15 coverage on their employees, each employee of the employer and each day of  
16 violation shall constitute a separate offense. With respect to KRS 342.040, any  
17 employer's insurance carrier or other party responsible for the payment of  
18 workers' compensation benefits shall be fined for failure to notify the  
19 commissioner of a failure to make payments when due if a report indicating  
20 the reason payment of income benefits did not commence within twenty-one  
21 (21) days of the date the employer was notified of an alleged work-related  
22 injury or disease is not filed with the commissioner within twenty-one (21)  
23 days of the date the employer received notice, and if the employee has not  
24 returned to work within that period of time. The date of notice indicated in the  
25 report filed with the department pursuant to KRS 342.038(1), shall raise a  
26 rebuttable presumption of the date on which the employer received notice;
- 27 (d) Any person who violates any of the provisions of KRS 342.165(2), 342.335,

1           342.395, 342.460, 342.465, or 342.470 shall be fined not less than two  
2           hundred dollars (\$200) nor more than two thousand dollars (\$2,000) for each  
3           offense. With respect to KRS 342.395, each required notice of rejection form  
4           executed by an employee or potential employee of an employer shall  
5           constitute a separate offense;

6           (e) Any person who fails to comply with the data reporting provisions of  
7           administrative regulations promulgated by the commissioner pursuant to KRS  
8           342.039, or with utilization review and medical bill audit administrative  
9           regulations promulgated pursuant to KRS 342.035(5), shall be fined not less  
10          than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000)  
11          for each violation;

12          (f) Except as provided in paragraph (g) of this subsection, a person who violates  
13          any of the provisions of KRS 342.335(1) or (2) where the claim,  
14          compensation, benefit, or money referred to in KRS 342.335(1) or (2) is less  
15          than or equal to three hundred dollars (\$300) shall be fined per occurrence not  
16          more than one thousand dollars (\$1,000) per individual nor five thousand  
17          dollars (\$5,000) per corporation, or twice the amount of gain received as a  
18          result of the violation, whichever is greater;

19          (g) Any person who violates any of the provisions of KRS 342.335(1) or (2)  
20          where the claim, compensation, benefit, or money referred to in KRS  
21          342.335(1) or (2) exceeds three hundred dollars (\$300) shall be fined per  
22          occurrence not more than five thousand dollars (\$5,000) per individual nor ten  
23          thousand dollars (\$10,000) per corporation, or twice the amount of gain  
24          received as a result of the violation, whichever is greater;

25          (h) Any person who violates the employee leasing provision of this chapter shall  
26          be fined not less than five hundred dollars (\$500) nor more than five thousand  
27          dollars (\$5,000) for each violation;

- 1 (i) Any violation of the provisions of this chapter relating to self-insureds shall  
2 constitute grounds for decertification of such self-insured, a fine of not less  
3 than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000)  
4 per occurrence, or both; and
- 5 (j) Actions to collect the civil penalties imposed under this subsection shall be  
6 instituted in the Circuit or District Court of the county where the violator  
7 resides or conducts business~~[Franklin District Court and the Franklin Circuit~~  
8 ~~Court]~~.
- 9 (8) The commissioner shall initiate enforcement of a criminal penalty by causing a  
10 complaint to be filed with the appropriate local prosecutor. If the prosecutor fails to  
11 act on the violation within twenty (20) days following the filing of the complaint,  
12 the commissioner shall certify the inaction by the local prosecutor to the Attorney  
13 General who shall initiate proceedings to prosecute the violation. The provisions of  
14 KRS 15.715 shall not apply to this section.
- 15 (9) The following criminal penalties shall be applicable for violations of particular  
16 provisions of this chapter:
- 17 (a) Any person who violates KRS 342.020(9), 342.035(2), 342.040, 342.400,  
18 342.420, or 342.630, shall, for each offense, be fined not less than one  
19 hundred dollars (\$100) nor more than one thousand dollars (\$1,000), or  
20 imprisoned for not less than thirty (30) days nor more than one hundred eighty  
21 (180) days, or both;
- 22 (b) Any person who violates any of the provisions of KRS 342.165(2), 342.335,  
23 342.460, 342.465, or 342.470 shall, for each offense, be fined not less than  
24 two hundred dollars (\$200) nor more than two thousand dollars (\$2,000), or  
25 imprisoned for not less than thirty (30) days nor more than one hundred and  
26 eighty (180) days, or both;
- 27 (c) Any corporation, partnership, sole proprietorship, or other form of business

1 entity and any officer, general partner, agent, or representative of the  
2 foregoing who knowingly utilizes or participates in any employee leasing  
3 arrangement or mechanism as defined in KRS 342.615 for the purpose of  
4 depriving one (1) or more insurers of premium otherwise properly payable or  
5 for the purpose of depriving the Commonwealth of any tax or assessment due  
6 and owing and based upon said premium shall upon conviction thereof be  
7 subject to a fine of not less than five hundred dollars (\$500) nor more than  
8 five thousand dollars (\$5,000), or imprisonment for not more than one  
9 hundred eighty (180) days, or both, for each offense; and

10 (d) Notwithstanding any other provisions of this chapter to the contrary, when any  
11 employer, insurance carrier, or individual self-insured fails to comply with  
12 this chapter for which a penalty is provided in subparagraphs (7), (8), and (9)  
13 above, such person, if the person is an owner in the case of a sole  
14 proprietorship, a partner in the case of a partnership, a principal in the case of  
15 a limited liability company, or a corporate officer in the case of a corporation,  
16 who knowingly authorized, ordered, or carried out the violation, failure, or  
17 refusal shall be personally and individually liable, both jointly and severally,  
18 for the penalties imposed in the above cited subparagraphs. Neither the  
19 dissolution nor withdrawal of the corporation, partnership, or other entity from  
20 the state, nor the cessation of holding status as a proprietor, partner, principal,  
21 or officer shall discharge the foregoing liability of any person.

22 (10) Fines paid pursuant to KRS 342.267 and subsections (7) and (9) of this section shall  
23 be paid into the self-insurance fund established in KRS 342.920.

24 (11) In addition to the penalties provided in this section, the commissioner and any  
25 administrative law judge or court of jurisdiction may order restitution of a benefit  
26 secured through conduct proscribed by this chapter.

27 ➔Section 268. KRS 343.070 is amended to read as follows:

1 (1) Upon the complaint of either party to the agreement, or upon his or her own  
2 initiative, the supervisor may investigate or determine if there has been a violation  
3 of the terms of the apprenticeship or on-the-job training agreement approved under  
4 this chapter. He may conduct inquiries and other proceedings necessary to any  
5 investigation and determination. The parties to the agreement shall, after reasonable  
6 notice, be given an informal hearing before the supervisor.

7 (2) The determination of the supervisor shall be filed with the commissioner. If no  
8 appeal therefrom is filed with the commissioner within fifteen (15) days, the  
9 determination shall become final. Any party aggrieved by any determination or  
10 action of the supervisor may appeal to the commissioner, who shall hold an  
11 administrative hearing in accordance with KRS Chapter 13B.

12 (3) Any party to an apprenticeship or on-the-job training agreement aggrieved by a final  
13 order of the commissioner may appeal to the Franklin Circuit Court *or the Circuit*  
14 *Court of the county where the party resides or where the agreement was carried*  
15 *out.*

16 ➔Section 269. KRS 344.565 is amended to read as follows:

17 Any final action taken by a department or agency pursuant to KRS 344.560 shall be  
18 subject to such judicial review as may otherwise be provided by law for similar action  
19 taken by the department or agency on other grounds. In the case of action, not otherwise  
20 subject to judicial review, terminating or refusing to grant or to continue financial  
21 assistance upon a finding of failure to comply with any requirement imposed pursuant to  
22 KRS 344.560, any funding recipient aggrieved may obtain judicial review of the action in  
23 the Franklin Circuit Court *or the Circuit Court of any county where the aggrieved*  
24 *recipient is located.*

25 ➔Section 270. KRS 349.145 is amended to read as follows:

26 (1) Whenever it appears that a person is violating or threatening to violate any  
27 provision of this chapter, or any rule, administrative regulation, or order

1 promulgated or issued under this chapter, the department may bring suit against the  
2 person in the Circuit Court of the county where the violation occurred or is  
3 threatened, **or** the Circuit Court in the county in which the defendant resides or in  
4 which any defendant resides if there is more than one (1) defendant, ~~or the Franklin~~  
5 ~~Circuit Court~~ to restrain the person from continuing the violation or from carrying  
6 out the threatened violation. In the suit, the court shall have jurisdiction to grant  
7 without bond or other undertaking the prohibitory or mandatory injunction as the  
8 facts may warrant, including a temporary restraining order or injunction.

9 (2) Whenever it appears that any person is violating any provision of this chapter, or  
10 any rule, administrative regulation or order promulgated or issued hereunder, the  
11 Attorney General or any person who is adversely affected by the violation may  
12 bring suit to restrain the violation in any court in which the department might have  
13 brought suit. The department shall be made a party defendant in the suit in addition  
14 to the person allegedly violating a provision or any rule, administrative regulation,  
15 or order promulgated or issued under this chapter.

16 ➔Section 271. KRS 350.0305 is amended to read as follows:

17 Any party aggrieved by a final order resulting from the hearing conducted pursuant to  
18 KRS 350.0301(1) on cabinet determinations may appeal to the Franklin Circuit Court **or**  
19 **the Circuit Court of any county in which the party is located**; except that judicial review  
20 of a final order resulting from a hearing on the issuance of a notice of noncompliance, the  
21 issuance of an order for cessation and immediate compliance, the assessment of civil  
22 penalties, or a bond forfeiture shall be in accordance with KRS 350.032. The appeal shall  
23 be taken within thirty (30) days from the rendition of the final order. The party or parties  
24 affected by the final order shall file in the Circuit Court a petition which states fully the  
25 grounds upon which a review is sought and shall assign all errors relied on. The cabinet  
26 shall be named respondent, and service shall be had on the cabinet. Summons shall issue  
27 upon the petition directing the cabinet to send its entire record, properly bound, to the

1 clerk of the Circuit Court after certifying that the record is its entire original record or a  
2 true copy. The record, when filed, shall become official and be considered by the Circuit  
3 Court on the review. After the case has been properly docketed in the Circuit Court, any  
4 party directly affected by the issues on appeal, may, upon notice to the parties, upon  
5 proper showing, and in the discretion of the court, be permitted to intervene. The court  
6 shall review the entire record and the findings and final order of the cabinet. No objection  
7 to the final order shall be considered by the court unless it was raised before the cabinet  
8 or there were reasonable grounds for failure to do so. The findings of the cabinet as to the  
9 facts, if supported by substantial evidence, shall be conclusive. The commencement of the  
10 proceedings under this section shall not operate as a stay of the cabinet's final order unless  
11 specifically ordered by the court. Appeals to the Court of Appeals from orders of the  
12 Circuit Court shall be taken in the manner provided in the Kentucky Rules of Civil  
13 Procedure.

14       ➔Section 272. KRS 350.255 is amended to read as follows:

15 Any person may petition the secretary of the Energy and Environment Cabinet to initiate  
16 a proceeding for the issuance, amendment, or repeal of any regulation under this chapter.

17 (1) Notice and an opportunity shall be provided for the petitioner and any person  
18 wishing to participate to be heard at a public hearing within thirty (30) days  
19 following the filing of the petition on the facts, technical justification, and law  
20 alleged in the petition.

21 (2) The secretary shall render a final order in writing within thirty (30) days after the  
22 hearing granting or denying the petition on grounds that there is a reasonable basis  
23 for the petitioned rule change, or is not, or that it is required or prohibited by law  
24 and setting forth the reasons for the decision.

25 (3) The secretary shall initiate a rulemaking proceeding pursuant to KRS Chapter 13A  
26 within thirty (30) days after a petition is granted proposing the issuance,  
27 amendment, or repeal of the petitioned regulations in conformity with the final

1 order.

2 (4) Any participant in the petition proceedings may seek review in any~~the~~ Circuit  
3 Court of competent jurisdiction~~Franklin County~~ of a final order of the secretary  
4 denying all or any portion of the action requested in a petition.

5 ➔Section 273. KRS 350.465 is amended to read as follows:

6 (1) The provisions of this section and regulations promulgated pursuant thereto, except  
7 with regard to the mining of clay, limestone, sand, gravel, flourspar, stone, and rock  
8 asphalt, shall apply to the regulation of all surface coal mining and reclamation  
9 operations in the Commonwealth in the event that the Commonwealth receives  
10 from the United States Department of Interior and pursuant to the Surface Mining  
11 Control and Reclamation Act of 1977, PL 95-87, approval of a permanent state  
12 regulatory program, and the Commonwealth has promulgated regulations pursuant  
13 to this section.

14 (2) The Energy and Environment Cabinet is hereby authorized and directed to prepare,  
15 develop and promulgate a comprehensive permanent regulatory program for the  
16 implementation of the Surface Mining Control and Reclamation Act of 1977, PL  
17 95-87, for the purpose of accepting and administering primary enforcement  
18 responsibilities pursuant to that act. The implementation of this section shall contain  
19 procedures similar to the Surface Mining Control and Reclamation Act of 1977, PL  
20 95-87, and shall require surface coal mining operation performance standards no  
21 more stringent than provided for in that act. Nothing in this section shall be  
22 construed to empower the cabinet to adopt a regulatory program in conflict with the  
23 policy and purposes of the Surface Mining Control and Reclamation Act of 1977,  
24 PL 95-87. To that end, the Energy and Environment Cabinet shall include in its  
25 permanent regulatory program:

26 (a) Environmental protection performance standards to prevent or minimize the  
27 adverse environmental effects of surface coal mining and reclamation

- 1 operations on the land and water resources of the Commonwealth;
- 2 (b) A procedure for designating as being unsuitable for mining certain lands  
3 because of their topographical, geological, hydrological, climatological,  
4 biological, or chemical characteristics or historical, cultural, scientific, or  
5 aesthetic values;
- 6 (c) Procedures and regulations for the allowance of those persons having an  
7 interest which is or may be adversely affected to have the opportunity to be  
8 heard at every significant or critical part of the administrative and judicial  
9 process, including, but not limited to, the permit review and issuance process,  
10 the general enforcement process and hearings incident thereto, and the  
11 rulemaking procedures conducted by the cabinet; and procedures and  
12 regulations for persons having a valid legal interest which is or may be  
13 adversely affected by the setting, release, and inspection of bonds to have an  
14 opportunity to be heard at every significant or critical part of the  
15 administrative and judicial process relating to bonds. The regulations shall  
16 provide reasonable procedures for notice and an opportunity to be heard,  
17 access to minesites, access to records, and other reasonable procedures to  
18 accomplish the purposes of this chapter;
- 19 (d) Procedures for the administrative and judicial review of all actions of the  
20 cabinet to administer and enforce the provisions of this chapter, including the  
21 award of costs and expenses, including attorney's fees and expert witness fees,  
22 by the cabinet or the court;
- 23 (e) Plans and procedures for the reclamation and restoration of land and water  
24 resources affected by mining which have been abandoned or inadequately  
25 reclaimed to the standards imposed by this section and for which no bond is  
26 held or legal obligation to reclaim continues. The plan shall include provisions  
27 for the imposition of liens for necessary reclamation expenditures made on

1 private property; and

2 (f) Procedures for the assumption of the small operator assistance program  
3 pursuant to the Surface Mining Control and Reclamation Act of 1977, PL 95-  
4 87. The cabinet shall assume and implement that program and apply for and  
5 administer funds as may be provided pursuant to that act and such state funds  
6 as may be provided for the program.

7 (3) In addition to any other authority, power, and duty vested in it by law, the cabinet  
8 shall have and exercise broad authority, power, and duty to:

9 (a) Require those persons who wish to engage in surface coal mining and  
10 reclamation operations to submit application for a permit from the cabinet to  
11 conduct the operations, and to include in that application all information  
12 required by the cabinet pertaining to that operation;

13 (b) Issue, deny, or modify under such conditions as the cabinet may prescribe,  
14 permits to conduct surface coal mining and reclamation operations within the  
15 Commonwealth;

16 (c) Enter and inspect any permitted surface coal mining and reclamation  
17 operation or any known or suspected unpermitted mining operation for the  
18 purpose of ascertaining compliance with any provision of this chapter or of  
19 the permit;

20 (d) Order the cessation of mining activities, and if necessary impose affirmative  
21 abatement obligations, upon the permittee, operator, or person when, upon  
22 inspection, the cabinet determines that this section or any permit condition is  
23 being or has been violated so as to constitute an imminent and inordinate peril  
24 to the welfare of the Commonwealth;

25 (e) Order a person, permittee, or an operator to comply with the requirements of  
26 this section or his permit if inspection reveals a violation of the conditions of  
27 his permit or of any provision of this section;

- 1 (f) Order a permittee to appear and show cause why his permit should not be  
2 suspended or revoked and his bond forfeited if the cabinet determines that the  
3 permittee or operator or the permitted operation has a pattern of violations of  
4 this section or permit conditions, and has willfully violated this section or  
5 permit conditions or a pattern of violations exists and that the violations are  
6 caused by the operator's or permittee's unwarranted failure to comply with this  
7 section or permit conditions;
- 8 (g) Require, increase, release, or decrease, under such conditions as the cabinet  
9 may prescribe, reclamation performance bonds and cause the forfeiture and  
10 collection of those bonds where the permittee has abandoned the operation or  
11 for which the permit under which the bond was given has been revoked or has  
12 expired without the required reclamation;
- 13 (h) To administratively impose, in lieu of those civil penalties provided for in  
14 KRS 350.990, civil penalties of up to five thousand dollars (\$5,000) per day  
15 for violations of permit conditions, this section, or any orders of the cabinet  
16 and enforce the administrative assessment of the penalties by initiating civil  
17 action in ~~the Franklin Circuit Court or in~~ any court having jurisdiction of the  
18 defendant;
- 19 (i) Conduct hearings and make investigations of any matter relating to the  
20 regulation of surface coal mining and reclamation operations, and provide for  
21 the assessment and payment of civil penalties including the placement of  
22 proposed civil penalty assessments into an escrow account prior to a contest  
23 on the amount of the assessment, consistent with the process of law;
- 24 (j) Provide for variances or exceptions consistent with KRS 350.450 from or in  
25 addition to mining performance standards, recognizing the specific  
26 characteristics inherent in:
- 27 1. Steep slope mining;

- 1           2.   Mountaintop removal;
- 2           3.   Relatively low acreage disturbance or annual coal production;
- 3           4.   Prime farmland mining as defined by the United States Department of
- 4           Agriculture, and to provide for other variances where land uses and
- 5           watersheds will be improved; and
- 6           5.   Postmining uses different from and as beneficial as the premining uses;
- 7       (k)   Receive and expend funds or aid from whatever source to accomplish the
- 8           purposes of this chapter; and
- 9       (l)   Propose and promulgate regulations to accomplish the purposes of this
- 10          section.
- 11   (4)   The cabinet shall not promulgate regulations which are inconsistent with the
- 12          Surface Mining Control and Reclamation Act of 1977, PL 95-87.
- 13   (5)   Any person who violates a provision of this section or the regulations promulgated
- 14          pursuant thereto shall be subject to those penalties and remedies set forth in KRS
- 15          350.990 except as provided for in subsection (3)(h) of this section.
- 16       ➔Section 274.   KRS 350.509 is amended to read as follows:
- 17   The commission shall be attached to the cabinet for administrative purposes and staffed
- 18   by the Office of the Reclamation Guaranty Fund established pursuant to KRS 350.512.
- 19   The commission shall:
- 20   (1)   Review, recommend, and promulgate administrative regulations pursuant to KRS
- 21          Chapter 13A, which are necessary to:
- 22          (a)   Monitor and maintain the fund;
- 23          (b)   Establish a structure for the administration of processing claims and making
- 24               payments;
- 25          (c)   Establish mechanisms for review of the viability of the fund and criteria for
- 26               determining when a recommendation shall be made to the secretary of the
- 27          cabinet to close the fund for failure to maintain actuarial soundness;

- 1 (d) Set the schedule of penalties consistent with this chapter associated with late  
2 payment, failure to pay, and defrauding the commission through the  
3 submission of fraudulent information or withholding requested  
4 documentation;
- 5 (e) Review, in accordance with the applicable administrative regulations of the  
6 cabinet and KRS 350.515 and 350.518, all assignments of permittee  
7 classification of mine type and assessment of established fees; and
- 8 (f) Establish a structure for the payment of the assessments required in KRS  
9 350.515(2)(b) and 350.518;
- 10 (2) Notify permittees of suspension or reinstatement of the fees required by KRS  
11 350.518(2);
- 12 (3) Employ, in accordance with KRS 45A.690 to 45A.725, a certified public accountant  
13 in good standing to perform an annual audit of the fund for the first five (5) years of  
14 the operations of the fund. Thereafter, the commission shall have audits performed  
15 every two (2) years or more frequently as determined necessary by the commission.  
16 Audit results shall be reported to the commission and to the Governor;
- 17 (4) Employ, in accordance with KRS 45A.690 to 45A.725, a qualified actuary to  
18 perform an actuarial study annually for the first three (3) years of the operations of  
19 the fund. Thereafter, the commission shall have actuarial studies performed every  
20 two (2) years or more frequently as determined necessary by the commission.  
21 Results of these studies shall be reported to the commission and to the Governor;
- 22 (5) Perform all functions necessary and authorize expenditures from the fund necessary  
23 to carry out the provisions of law and the administrative regulations of the  
24 commission;
- 25 (6) Report to the Governor and the Interim Joint Committee on Natural Resources and  
26 Environment no later than December 31 of each year as to the financial status of the  
27 reclamation guaranty fund;

1 (7) Conduct investigations and issue subpoenas on behalf of the commission to verify  
2 reporting, payment, and other activities of permittees related to the fund. All  
3 documents produced in response to investigations and subpoenas by the  
4 commission shall remain confidential and not subject to the provisions of KRS  
5 61.870 to 61.882; and

6 (8) Bring an action in ~~the~~Franklin Circuit Court **of any county where the permittee is**  
7 **located** against any permittee for the recovery of funds spent by the commission by  
8 reason of forfeiture of that permittee. The commission may utilize the legal  
9 department of the cabinet for this purpose.

10 ➔Section 275. KRS 350.610 is amended to read as follows:

11 (1) The secretary of the Energy and Environment Cabinet is hereby authorized to  
12 establish a planning process enabling objective decisions based upon competent and  
13 scientifically sound data as to which, if any, lands of the Commonwealth are  
14 unsuitable for all or certain types of surface coal mining operations pursuant to the  
15 standards set forth in this chapter; provided, that any such designation shall not  
16 prevent coal or other mineral exploration of any area so designated.

17 (2) Upon petition and hearing pursuant to subsection (6) of this section, the secretary  
18 shall designate an area as unsuitable for all or certain types of surface coal mining  
19 operations, if the secretary determines that reclamation pursuant to this chapter is  
20 not technologically and economically feasible.

21 (3) Upon petition and hearing pursuant to subsection (6) of this section, a surface area  
22 may be designated unsuitable for certain types of surface coal mining operations if  
23 such operations will:

24 (a) Be incompatible with existing state and local land use plans; or

25 (b) Affect fragile or historic lands in which such operations could result in  
26 significant damage to important historic, cultural, scientific, and aesthetic  
27 values, and natural systems; or

- 1 (c) Affect renewable resource lands in which such operations could result in a  
2 substantial loss or reduction of long-range productivity of water supply or  
3 food or fiber products, and such lands to include aquifers and aquifer recharge  
4 areas; or
- 5 (d) Affect natural hazard lands in which such operations could substantially  
6 endanger life and property, such lands to include areas subject to frequent  
7 flooding and areas of unstable geology.
- 8 (4) Determinations of the unsuitability of land for surface coal mining shall be  
9 integrated as closely as possible with present and future land use planning and  
10 regulation processes at any appropriate level of government, including but not  
11 limited to any valid exercise of authority of a municipality or county, acting  
12 independently or jointly, pursuant to KRS Chapter 100.
- 13 (5) The requirements of this section shall not apply to lands on which coal mining  
14 operations were being conducted on August 3, 1977, or under a permit issued  
15 pursuant to this chapter or where substantial legal and financial commitments in  
16 such operation were in existence prior to January 4, 1977.
- 17 (6) Other provisions of this chapter relating to hearings to the contrary notwithstanding,  
18 any person having an interest which is or may be adversely affected shall have the  
19 right to petition the cabinet to the extent such a petition would be consistent with  
20 subsections (2) and (3) of this section, to have a specific and well-defined area  
21 designated as unsuitable for surface coal mining operations, or to have such a  
22 designation terminated. Such a petition shall contain allegations of facts which shall  
23 be specific as to the petitioner's designated area, including a justification that the  
24 criteria alleged occur throughout and form a significant feature, and shall be based  
25 upon objective evidence which would tend to establish the allegations. The cabinet  
26 shall make a determination or finding whether the petition is complete, incomplete,  
27 or frivolous. Within ten (10) months after the receipt of the petition, the cabinet

1 shall hold a public hearing in the locality of the affected area, after appropriate  
2 notice and publication of the date, time, and location of such hearing, pursuant to  
3 regulations promulgated by the cabinet to implement this section, provided that  
4 when a permit application is pending before the cabinet and such application  
5 involves an area in a designation petition, the cabinet shall hold the hearing on the  
6 petition within ninety (90) days of its receipt. After a person having an interest  
7 which is or may be adversely affected has filed a petition and before the hearing,  
8 any person may intervene by filing allegations of facts with supporting evidence  
9 which would tend to establish the allegations. Within sixty (60) days after such a  
10 hearing, the cabinet shall issue and furnish to the petitioner and any other party to  
11 the hearing, a written decision regarding the petition, and the reasons therefor. In the  
12 event that all petitioners stipulate agreement prior to the requested hearing and  
13 withdraw their request, such hearing need not be held. Within thirty (30) days after  
14 receipt of an order, determination, finding, or decision by the cabinet or the  
15 secretary hereunder, any applicant, or any person with an interest which is or may  
16 be adversely affected and who is aggrieved by the order, determination, finding, or  
17 decision of the cabinet or secretary, may obtain judicial review thereof by appealing  
18 to the Circuit Court of Franklin County or the Circuit Court of the county where  
19 the land is located pursuant to the provisions of KRS 224.10-470.

- 20 (7) Prior to designating any land areas as unsuitable for surface coal mining operations,  
21 the cabinet shall prepare a detailed statement on:
- 22 (a) The potential coal resources of the area;
  - 23 (b) The demand for coal resources;
  - 24 (c) The impact of such designation on the environment, the economy, and the  
25 supply of coal; and
  - 26 (d) The characteristics of the petition area including a justification that the criteria  
27 alleged occur throughout the petition area and form a significant feature.

1 (8) Subject to subsection (5) of this section, the cabinet shall not issue a permit to  
2 conduct surface coal mining and reclamation operations in contravention of any  
3 designation or any decision on any petition pursuant to subsection (6) of this section  
4 regarding any surface area designated unsuitable for mining; nor shall the cabinet  
5 issue a permit to conduct surface coal mining and reclamation operations in an area  
6 under study for such designation in an administrative proceeding already  
7 commenced under subsection (6) of this section.

8 ➔Section 276. KRS 350.990 is amended to read as follows:

9 (1) Any permittee, person, or operator who violates any of the provisions of this chapter  
10 or administrative regulations promulgated pursuant thereto or who fails to perform  
11 the duties imposed by these provisions, except the refusal or failure to obtain a  
12 permit or other authorization as provided in this chapter, or who violates any  
13 determination or order issued pursuant to the provisions of this chapter, may be  
14 liable to a civil penalty of not more than five thousand dollars (\$5,000) for the  
15 violation, and an additional civil penalty of not more than five thousand dollars  
16 (\$5,000) for each day during which the violation continues, and in addition, may be  
17 enjoined from continuing the violations provided in this section. Any permittee,  
18 operator, or person who fails to abate a violation noted in a notice of noncompliance  
19 or an order for immediate compliance and cessation within the time period  
20 prescribed for the abatement shall be assessed a civil penalty of not less than seven  
21 hundred fifty dollars (\$750) for each day during which the violation continues. Any  
22 person issued an order pursuant to KRS 350.130(4) shall be assessed a civil penalty  
23 of not more than five thousand dollars (\$5,000) for each violation cited in the  
24 underlying notice of noncompliance issued therewith. No separate civil penalty  
25 shall be assessed for the order issued pursuant to KRS 350.130(4). Each day of  
26 continuing violation may be deemed a separate violation for purposes of penalty  
27 assessment. The cabinet shall develop a method for calculating monetary penalties

1 and shall promulgate it as an administrative regulation. The secretary or a  
2 designated representative, upon his or her own initiative or upon written request  
3 received within fifteen (15) days after the cabinet mails its proposed penalty  
4 assessment, may waive the use of the method for calculating monetary penalties if  
5 he or she determines that, taking into account exceptional factors present in the  
6 particular case, the penalty is demonstrably unjust. The basis for every waiver shall  
7 be fully explained and documented in the records of the case. If the secretary or his  
8 or her designated representative waives the use of the formula, he or she shall  
9 determine the appropriate penalty upon consideration of the permittee's history of  
10 previous violations at the particular surface coal mining operation, the seriousness  
11 of the violation, whether the permittee was negligent, and the demonstrated good  
12 faith of the permittee charged in attempting to achieve rapid compliance after  
13 notification of the violation. The penalties shall be recoverable in an action brought  
14 in the name of the Commonwealth of Kentucky by the cabinet. ~~{The Franklin~~  
15 ~~Circuit Court shall hold concurrent jurisdiction and venue of }~~All civil and  
16 injunctive actions instituted by the cabinet for the enforcement of the provisions of  
17 this chapter or the orders and administrative regulations of the cabinet promulgated  
18 pursuant thereto **shall be filed in the Circuit Court of the county where the**  
19 **violation occurred.** All sums recovered shall be placed in the State Treasury, except  
20 those moneys collected in excess of eight hundred thousand dollars (\$800,000) in  
21 any fiscal year shall be deposited fifty percent (50%) in the reclamation guaranty  
22 fund for purposes set forth in KRS 350.500 to 350.521 and 350.595 and fifty  
23 percent (50%) to the supplemental fund established under KRS 350.139(1), and  
24 used for the purposes of that section. All moneys previously deposited in the  
25 abandoned mine land enhancement fund shall be redeposited in the reclamation  
26 guaranty fund.

27 (2) Any person or operator who engages in surface coal mining operations without first

1       securing a permit, as provided in KRS 350.060, or any person who engages in coal  
2       exploration operations, exclusive of core drilling, without proper authorization, as  
3       required by the cabinet pursuant to KRS 350.057 or administrative regulations  
4       promulgated pursuant thereto, or any person or operator who engages in other  
5       mining operations, without proper authorization as required by this chapter or  
6       administrative regulations promulgated pursuant thereto, shall be liable to a civil  
7       penalty for damages to the Commonwealth of not less than five thousand dollars  
8       (\$5,000) nor more than twenty-five thousand dollars (\$25,000) and in addition, may  
9       be enjoined from continuing the violations. Each day shall constitute a separate  
10      violation. In addition to the foregoing penalties, any permittee, person, or operator  
11      who fails to abate a violation of KRS 350.060 or KRS 350.029 or KRS 350.057, as  
12      noted in a notice of noncompliance or an order for immediate compliance and  
13      cessation within the time period prescribed for the abatement, shall be assessed an  
14      additional civil penalty of not less than seven hundred fifty dollars (\$750) for each  
15      day during which the violation continues. However, the penalties provided in  
16      subsection (1) of this section shall apply in lieu of the penalties provided in this  
17      subsection where an operator or permittee through inadvertence has exceeded the  
18      boundaries or expiration date of the permit in effect at that time.

19    (3) The cabinet shall bring an action for the recovery of penalties and bring an action  
20      for a restraining order, temporary or permanent injunction, against any permittee,  
21      operator, or person violating or threatening to violate any of the provisions of this  
22      chapter or violating or threatening to violate any order or determination issued  
23      pursuant to the provisions of this chapter. ~~[The Franklin Circuit Court shall hold~~  
24      ~~concurrent jurisdiction and venue of]~~ All civil and injunctive actions instituted by  
25      the cabinet for the enforcement of the provisions of this chapter or the orders and  
26      administrative regulations of the cabinet promulgated pursuant thereto **shall be filed**  
27      **in the Circuit Court of the county where the violation occurred.**

- 1 (4) Any permittee, operator, or person who knowingly and willfully violates any of the  
2 provisions of this chapter, except as provided in subsection (5) of this section, or  
3 any determination or order issued pursuant to the sections of this chapter which  
4 have become final, shall be guilty of a Class A misdemeanor. Each day on which  
5 the violation occurs may constitute a separate offense.
- 6 (5) (a) Any person or operator who, in violation of KRS 350.060(1)(a) willfully and  
7 knowingly engages in surface coal mining operations without first obtaining a  
8 permit from the cabinet, or any person or operator who willfully and  
9 knowingly engages in coal exploration operations, exclusive of core drilling,  
10 without proper authorization, as required by the cabinet pursuant to KRS  
11 350.057 or administrative regulations promulgated pursuant thereto, or any  
12 person or operator who willfully and knowingly engages in other mining  
13 operations without proper authorization as required by this chapter or  
14 administrative regulations promulgated pursuant thereto, with the intent to  
15 violate the laws, shall be guilty of a Class D felony.
- 16 (b) Any person or operator who in violation of KRS 350.060(1)(b) willfully and  
17 knowingly receives, transports, sells, conveys, transfers, trades, exchanges,  
18 donates, purchases, delivers, or in any way derives benefit from coal removed  
19 from any surface mining operations conducted in violation of KRS  
20 350.060(1)(a) or 350.057 shall be guilty of a Class D felony.
- 21 (6) Any person who violates any of the provisions of KRS 350.600 or administrative  
22 regulations promulgated pursuant thereto shall be subject to civil penalties of not  
23 more than twenty-five thousand dollars (\$25,000). Each day of continuing violation  
24 shall be deemed a separate violation.
- 25 (7) Any permittee, operator, or person who knowingly makes any false statement,  
26 representation, or certification, or knowingly fails to make any statement,  
27 representation, or certification in any application, record, report, plan, or other

1 document filed or required to be maintained by the cabinet, shall upon conviction be  
2 guilty of a Class A misdemeanor.

3 (8) Except as permitted by law, any permittee, operator, or person who willfully and  
4 knowingly resists, prevents, impedes, or interferes with the secretary or other  
5 personnel of the cabinet in the performance of duties pursuant to this chapter shall  
6 be guilty of a Class A misdemeanor.

7 (9) When a corporate permittee violates any provision of this chapter or administrative  
8 regulation promulgated pursuant thereto or fails or refuses to comply with any final  
9 order issued by the secretary, any director, officer, or agent of the corporation who  
10 willfully and knowingly authorized, ordered, or carried out the violation, failure, or  
11 refusal shall be subject to the same civil penalties, fines, and imprisonment as may  
12 be imposed upon a person pursuant to this section.

13 (10) Upon notice by the secretary that any surety has failed to comply with the  
14 provisions of KRS 350.032(3), the commissioner of the Kentucky Department of  
15 Insurance shall revoke the surety's certificate of authority to conduct insurance  
16 business within the Commonwealth of Kentucky.

17 (11) The cabinet, upon written request by any permittee, person, or operator subject to  
18 any penalty assessment under this section and pursuant to procedures, if any, set  
19 forth by administrative regulation and after consultation with the local county fiscal  
20 court, may allow as an alternative to the payment of any assessed penalty under this  
21 section the performance of in-kind reclamation, environmental rehabilitation, or  
22 similar action to correct environmental pollution. The in-kind work shall not  
23 substitute for those remedial measures mandated by the cabinet for the correction of  
24 any violations. The estimated cost of the in-kind work shall be greater than the  
25 penalty assessment. The cabinet's Division of Abandoned Mine Lands shall have  
26 the authority to approve proposed in-kind projects and to recommend projects to the  
27 cabinet, and shall determine whether the estimated cost of the in-kind work exceeds

1 the penalty assessment. For the purposes of this subsection, the cost of the in-kind  
2 work shall include only those expenditures for actual on-site reclamation or  
3 rehabilitation work, including direct equipment, personnel, and material cost, but  
4 excluding administrative overhead or transportation costs. Failure to perform the in-  
5 kind work as agreed upon by the person or operator subject to the penalty  
6 assessment shall reinstate the liability of the person, permittee, or operator for the  
7 full amount of the assessed penalty. The cabinet may prepare and promulgate  
8 administrative regulations as are necessary to implement and administer the  
9 provisions of this subsection.

10 ➔Section 277. KRS 351.010 is amended to read as follows:

11 (1) As used in this chapter, unless the context requires otherwise:

- 12 (a) "Adulterated specimen" means a specimen containing a substance that is not a  
13 normal constituent or containing an endogenous substance at a concentration  
14 that is not a normal physiological concentration;
- 15 (b) "Approved" means that a device, apparatus, equipment, or machinery, or  
16 practice employed in the mining of coal has been approved by the  
17 commissioner of the Department for Natural Resources;
- 18 (c) "Assistant mine foreman" means a certified person designated to assist the  
19 mine foreman in the supervision of a portion or the whole of a mine or of the  
20 persons employed therein;
- 21 (d) "Commercial mine" means any coal mine from which coal is mined for sale,  
22 commercial use, or exchange. This term shall in no instance be construed to  
23 include a mine where coal is produced for own use;
- 24 (e) "Commission" means the Mine Safety Review Commission created by KRS  
25 351.1041;
- 26 (f) "Commissioner" means commissioner of the Department for Natural  
27 Resources;

- 1 (g) "Department" means the Department for Natural Resources;
- 2 (h) "Drift" means an opening through strata or coal seams with opening grades  
3 sufficient to permit coal to be hauled therefrom or which is used for the  
4 purpose of ventilation, drainage, ingress, egress, and other purposes in  
5 connection with the mining of coal;
- 6 (i) "Excavations and workings" means the excavated portions of a mine;
- 7 (j) "Fire boss" (often referred to as mine examiner) means a person certified as a  
8 mine foreman or assistant mine foreman who is designated by management to  
9 examine a mine or part of a mine for explosive gas or other dangers before a  
10 shift crew enters;
- 11 (k) "Gassy mine." All mines shall be classified as gassy or gaseous;
- 12 (l) "Illicit substances" includes prescription drugs used illegally or in excess of  
13 therapeutic levels as well as illegal drugs;
- 14 (m) "Intake air" means air that has not passed through the last working place of the  
15 split or by the unsealed entrances to abandoned workings and by analysis  
16 contains not less than nineteen and one-half percent (19.5%) oxygen, no  
17 dangerous quantities of flammable gas, and no harmful amounts of poisonous  
18 gas or dust;
- 19 (n) "Licensee" means any owner, operator, lessee, corporation, partnership, or  
20 other person who procures a license from the department to operate a coal  
21 mine;
- 22 (o) "Medical review officer" or "MRO" means a licensed physician with  
23 knowledge of substance abuse disorders, laboratory testing, chain of custody,  
24 collection procedures, and the ability to verify positive, confirmed test results.  
25 The MRO shall possess the necessary medical training to interpret and  
26 evaluate a positive test result in relation to the person's medical history or any  
27 other relevant biomedical information;

- 1 (p) "Mine" means any open pit or any underground workings from which coal is  
2 produced for sale, exchange, or commercial use, and all shafts, slopes, drifts,  
3 or inclines leading thereto, and includes all buildings and equipment, above or  
4 below the surface of the ground, used in connection with the workings.  
5 Workings that are adjacent to each other and under the same management, but  
6 which are administered as distinct units, shall be considered a separate mine;
- 7 (q) "Mine foreman" means a certified person whom the licensee or superintendent  
8 places in charge of the workings of the mine and of the persons employed  
9 therein;
- 10 (r) "Mine manager" means a certified or noncertified person whom the licensee  
11 places in charge of a mine or mines and whose duties include but are not  
12 limited to operations at the mine or mines and supervision of personnel when  
13 qualified to do so;
- 14 (s) "Open-pit mine" shall include open excavations and open-cut workings,  
15 including but not limited to auger operations and highwall mining systems for  
16 the extraction of coal;
- 17 (t) "Operator" means the licensee, owner, lessee, or other person who operates or  
18 controls a coal mine;
- 19 (u) "Permissible" refers to any equipment, device, or explosive that has been  
20 approved by the United States Bureau of Mines, the Mining Enforcement and  
21 Safety Administration, or the Mine Safety and Health Administration and that  
22 meets all requirements, restrictions, exceptions, limitations, and conditions  
23 attached to the classification by the approving agency;
- 24 (v) "Preshift examination" means the examination of a mine or any portion  
25 thereof where miners are scheduled to work or travel, which shall be  
26 conducted not more than three (3) hours before any oncoming shift;
- 27 (w) "Return air" means air that has passed through the last active working place on

1 each split, or air that has passed through abandoned, inaccessible, or pillared  
2 workings;

3 (x) "Serious physical injury" means an injury which has a reasonable potential to  
4 cause death;

5 (y) "Shaft" means a vertical opening through the strata that is used in connection  
6 with the mining of coal, for the purpose of ventilation or drainage, or for  
7 hoisting men, coal, or materials;

8 (z) "Slope" means an inclined opening used for the same purpose as a shaft;

9 (aa) "Superintendent" means the person who, on behalf of the licensee, has  
10 immediate supervision of one (1) or more mines;

11 (ab) "Supervisory personnel" means a person certified under the provisions of this  
12 chapter to assist in the supervision of a portion or the whole of the mine or of  
13 the persons employed therein;

14 (ac) "Division" means the Division of Mine Safety;

15 (ad) "Director" means the director of the Division of Mine Safety;

16 (ae) "Probation" means the status of a certification or license issued by the  
17 Division of Mine Safety that conditions the validity of the certification or  
18 license upon compliance with orders of the Mine Safety Review Commission;  
19 and

20 (af) "Final order of the commission" means an order which has not been appealed  
21 to the ~~a[Franklin]~~ Circuit Court **of competent jurisdiction** within thirty (30)  
22 days of entry, or an order affirming the commission's order that has been  
23 entered by any court within the Commonwealth and for which all appeals have  
24 been exhausted.

25 (2) Except as the context otherwise requires, this chapter applies only to commercial  
26 coal mines.

27 (3) The definitions in KRS 352.010 apply also to this chapter, unless the context

1 requires otherwise.

2 ➔Section 278. KRS 351.102 is amended to read as follows:

- 3 (1) No person shall be assigned mining duties by a licensee as a laborer or supervisor  
4 unless the person holds a valid certificate of competency and qualification or a valid  
5 permit as trainee issued in accordance with this section.
- 6 (2) The division shall require that all applicants for certified miner and initial applicants  
7 for other mining certifications pursuant to this chapter shall submit proof that he or  
8 she is drug and alcohol free. The proof shall be submitted in accordance with KRS  
9 351.182 and 351.183.
- 10 (3) A permit as trainee miner shall be issued by the commissioner to any person who  
11 has submitted proof that he or she is drug and alcohol free in accordance with KRS  
12 351.182 and 351.183, and has completed a program of education of a minimum of  
13 forty (40) hours for underground mining or twenty-four (24) hours for surface  
14 mining comprised of sixteen (16) hours of classroom training and eight (8) hours of  
15 mine specifics or who has completed a certified mine technology program and has  
16 passed an examination approved by the commissioner. An additional eight (8) hours  
17 of mine-specific training shall be administered to the trainee miner by the licensee,  
18 which training shall be documented on a form approved by the commissioner. This  
19 education and training program shall be determined and established by the  
20 department, as provided in KRS 351.106. A requirement for a permit as a trainee  
21 miner shall be one (1) hour of classroom training dedicated to alcohol and substance  
22 abuse education.
- 23 (4) Trainee miners shall work within the sight and sound of a certified miner.
- 24 (5) Any miner holding a certificate of competency and qualification may have one (1)  
25 person working with him and under his direction as a trainee miner. Any person  
26 certified as a mine foreman or assistant mine foreman shall have no more than five  
27 (5) persons working under his supervision or direction as trainee miners for the

- 1 purpose of learning and being instructed in the duties of underground coal mining.
- 2 (6) A certificate of competency and qualification as a miner shall be issued by the  
3 commissioner to any person who has a minimum of forty-five (45) working days'  
4 experience within a thirty-six (36) month period as a trainee miner and  
5 demonstrated competence as a miner. Any trainee miner who exceeds six (6)  
6 months in obtaining the forty-five (45) working days of experience required in this  
7 section, shall submit proof of alcohol- and drug-free status in accordance with the  
8 provisions of KRS 351.182 and 351.183.
- 9 (7) All examinations for the certification of a miner shall be of a practical nature and  
10 shall determine the competency and qualification of the applicant to engage in the  
11 mining of coal with reasonable safety to himself and his fellow employees. The  
12 examination may be given orally, upon approval by the commissioner, if the miner  
13 is unable to read or comprehend a written examination.
- 14 (8) Examinations shall be held in any regional office during regular business hours.
- 15 (9) If the commissioner or his authorized representative finds that an applicant is not  
16 qualified and competent, he shall notify the applicant as soon as possible, but in no  
17 case more than thirty (30) days after the date of examination.
- 18 (10) Any applicant aggrieved by an action of the commissioner or his authorized  
19 representative in failing or refusing to issue a certificate of qualification and  
20 competency shall, within ten (10) days of notice of the action complained of, appeal  
21 to the commissioner who shall either affirm the action or issue the certificate to the  
22 applicant.
- 23 (11) If the applicant is aggrieved by the action of the commissioner, he may appeal to the  
24 commission which shall hold a hearing on the matter in accordance with KRS  
25 Chapter 13B.
- 26 (12) The applicant may appeal from the final order of the commission by filing in the  
27 Franklin Circuit Court or the Circuit Court of the county where the applicant

1        resides a petition for appeal in accordance with KRS Chapter 13B.

2        ➔Section 279. KRS 351.175 is amended to read as follows:

- 3        (1) The operation of a coal mine in Kentucky is a privilege granted by the  
4        Commonwealth of Kentucky to a licensee who satisfies the requirements of this  
5        section and demonstrates that the mine is or will be operated in a safe manner and in  
6        accordance with the laws of this Commonwealth.
- 7        (2) Within forty-five (45) days after January 1, 1953, and of each year thereafter, the  
8        owner, operator, lessee, or licensee of each mine shall procure from the department  
9        a license to operate the mine, and the license shall not be transferable. Any owner,  
10       operator, lessee, or licensee who assumes control of a mine, opens a new mine, or  
11       reopens an abandoned mine during any calendar year shall procure a license before  
12       mining operations are begun.
- 13       (3) The license shall be in printed form as the commissioner may prescribe and when  
14       issued shall be kept posted at a conspicuous place near the main entrance of the  
15       mine.
- 16       (4) Requests for a license shall be made to the department and shall be accompanied by  
17       a United States postal money order or cashier's check drawn in favor of the State  
18       Treasurer in an amount established by administrative regulations of a minimum of  
19       one hundred dollars (\$100) and a maximum of fifteen hundred dollars (\$1,500). The  
20       license shall be issued when the following are properly submitted to the  
21       commissioner:
- 22       (a) The annual report of the licensee and the annual mine map required in KRS  
23       351.170 and 352.450;
- 24       (b) A certification from the commissioner of the Department of Workers' Claims  
25       that the licensee has provided positive proof of compliance with the  
26       provisions of KRS Chapter 342;
- 27       (c) A certification from the commissioner of the Department of Revenue that the

- 1 licensee is not a "delinquent taxpayer" as defined in KRS Chapter 131;
- 2 (d) Mine seal construction plan filed with the state and approved by MSHA;
- 3 (e) Roof control plan filed with the state and approved by MSHA;
- 4 (f) The ventilation plan required in KRS 352.020; and
- 5 (g) An approved emergency action plan required by KRS 352.640.
- 6 (5) The department shall immediately revoke any license if the department receives:
- 7 (a) Withdrawal of the certification of compliance with KRS Chapter 342 issued
- 8 by the commissioner of the Department of Workers' Claims; or
- 9 (b) Notice from the commissioner of the Department of Revenue that the licensee
- 10 is a "delinquent taxpayer" as defined in KRS Chapter 131.
- 11 (6) The commissioner, the director of the Division of Mine Safety, or the mine safety
- 12 specialist shall have the authority to stop production or close any mine whose
- 13 operator fails to procure a license or fails to furnish a certification of workers'
- 14 compensation coverage as required under this section.
- 15 (7) The department shall be authorized to seek injunctive relief for any violation of this
- 16 section. Revocation of a license by the department shall be an administrative
- 17 function of the department. Appeals from revocation by the department shall be
- 18 brought in the Franklin Circuit Court or the Circuit Court of the county of the
- 19 mine's licensed location.
- 20 (8) A license which has been revoked under the "delinquent taxpayer" provision shall
- 21 not be reissued until a written tax clearance has been received from the
- 22 commissioner of revenue.
- 23 (9) No mine underlying a cemetery shall be licensed by the commissioner unless two-
- 24 thirds (2/3) of the governing body of that cemetery vote in approval of the
- 25 operation. The application for a license shall contain an affidavit setting forth the
- 26 approval of the cemetery's governing body. This subsection applies only to those
- 27 cemeteries with governing bodies.

1           ➔Section 280. KRS 351.194 is amended to read as follows:

- 2       (1) The Mine Safety Review Commission shall promulgate administrative regulations  
3       in accordance with KRS Chapter 13A to establish administrative hearings  
4       procedures to be followed in determining if violations of mine safety laws,  
5       including, but not limited to, violations that meet the criteria established in KRS  
6       351.025(1) or (2), have occurred and to establish a process to review recommended  
7       orders from any hearing officers acting on behalf of the commission. The  
8       procedures shall follow the requirements of KRS Chapter 13B and this chapter.
- 9       (2) The chair or a majority of the Mine Safety Review Commission may convene a  
10       meeting of the commission at which it shall consider whether to schedule a hearing  
11       regarding any licensee, coal operation, or other person involved in the mining of  
12       coal.
- 13       (3) If the commission determines that there is probable cause to believe that the  
14       licensee, coal operation, or other person against whom the department has made  
15       allegations of unsafe work practices or other violation of applicable law is guilty of  
16       an alleged violation, the commission shall schedule a hearing at which the  
17       department shall offer evidence in support of the allegations made by it. The  
18       licensee, coal operation, or other person against whom the allegations are made  
19       shall be given not less than twenty (20) days' written notice of the charges against  
20       him, together with the date, time, and place at which the charges shall be heard, and  
21       of his opportunity to be represented by counsel, produce evidence and witnesses on  
22       his behalf, and examine the evidence and documents that may be produced against  
23       him. The commission may also be represented by counsel and shall not be bound by  
24       the technical rules of evidence, but its order shall be based upon competent  
25       evidence. Any licensee or other person summoned to appear at a hearing in the  
26       manner established in this subsection may, in writing, waive the notice required to  
27       be given to him.

- 1 (4) The commission may proceed with its hearing of charges made by the department  
2 against any licensee, coal operation, or other person who, after being duly notified  
3 in accordance with the requirements of this section, fails to appear at or participate  
4 in the hearing and who fails to assert any legitimate basis for the failure.
- 5 (5) Within ninety (90) days after hearing, the commission shall issue an order in which  
6 it sets out its determinations concerning each matter coming before it. Copies of the  
7 order shall be provided to all parties to the hearing. The department shall carry out  
8 or enforce, as appropriate, the order of the commission, which may include, though  
9 not be limited to, the imposition of civil penalties, revocation, suspension, or  
10 probation of the mine license or the miner's certification.
- 11 (6) The commission may modify a civil penalty or fine established under this chapter,  
12 under criteria established by the commission by administrative regulations.
- 13 (7) In assessing monetary penalties within the limits provided in KRS 351.025, the  
14 commission shall consider the operator's history of previous violations, the  
15 appropriateness of the penalty to the size of the operator charged, whether the  
16 operator was negligent, the effect on the operator's ability to continue in business,  
17 the gravity of the violation, the demonstrated good faith of the person charged in  
18 attempting to achieve rapid compliance after notification of a violation, and whether  
19 a penalty has been imposed by the Federal Mine Safety and Health Act for a  
20 violation that arose out of the same set of facts or circumstances.
- 21 (8) An appeal of an order of the commission shall be filed in the Franklin Circuit Court  
22 or the Circuit Court of the county where the mine operation is located within  
23 thirty (30) days of entry of the order.
- 24 ➔Section 281. KRS 351.335 is amended to read as follows:
- 25 (1) The department shall have the authority for promulgating regulations concerning the  
26 manufacture, transportation, sale, storage, or use of explosives and unassembled  
27 components of explosives including, but not limited to, airblasts, preblast surveys,

1 and blasting schedules, and the maintenance of such explosives which has a direct  
2 bearing on safety to life and property, and any other rules and regulations necessary  
3 to effectuate the provisions of KRS 351.315 to 351.375 or which are consistent with  
4 the provisions of the Federal Surface Mining Control and Reclamation Act of 1977,  
5 and amendments thereto, pertaining to blasting or explosives, or any rule or  
6 regulation promulgated thereunder pertaining to blasting or explosives. No portion  
7 of KRS 351.315 to 351.375 shall apply in any manner to the manufacture,  
8 transportation, sale, storage, possession, or use of:

- 9 (a) Loaded ammunition for use in small arms or other weapons; or
  - 10 (b) Propellant powders for use in small arms or other weapons; or
  - 11 (c) Primers for small arms ammunition; or
  - 12 (d) Any other component part of small arms ammunition; or
  - 13 (e) Tools, equipment, or devices for the manufacture of small arms ammunition;
  - 14 or
  - 15 (f) Grades of blackpowder suitable primarily for use in firearms.
- 16 (2) To promote compatible, uniform, and consistent laws and regulations concerning  
17 blasting, all local ordinances, rules, and regulations concerning blasting and  
18 explosives promulgated by units of local government within the Commonwealth  
19 shall be reviewed and approved, by the department, prior to implementation. Any  
20 not so approved shall be invalid. Any local ordinance, rule, or regulation in force on  
21 June 19, 1976, shall become invalid, null, and void one hundred twenty (120) days  
22 after June 19, 1976, unless it is submitted to the department and is approved as  
23 being consistent with the provisions of this section.
- 24 (3) In order to carry out the purposes of KRS 351.315 to 351.375, the commissioner or  
25 his authorized representative shall have the authority:
- 26 (a) To enter without delay and advance notice any place where explosives are in  
27 use or stored or where blasting records are kept, during regular working hours

1 and at other reasonable times in order to inspect such places, question any  
2 explosive user or seller for the purpose of ascertaining compliance or  
3 noncompliance with KRS 351.315 to 351.375.

4 (b) To administer oaths, take depositions, conduct hearings, take photographs,  
5 review any and all blasting records, and secure any other evidence deemed  
6 necessary to evaluate any safety hazard in KRS 351.315 to 351.375 or  
7 regulations issued pursuant thereto.

8 (4) If an explosive user or seller refuses such entry, then the commissioner or his  
9 authorized representative may apply to the ~~Franklin Circuit Court, or to the~~ Circuit  
10 Court within the county wherein the premises to be entered are located, for an order  
11 to enforce the right of entry.

12 (5) If, during the course of a lawful inspection, the commissioner or his authorized  
13 representative discovers explosives stored or kept in an unlawful manner and such  
14 unlawfully stored or kept explosives constitute an imminent and substantial danger  
15 to life or property, then the commissioner or his authorized representative may,  
16 upon proper affidavit before a magistrate with authority and jurisdiction to issue  
17 search warrants, obtain a warrant authorizing seizure of such unlawfully stored or  
18 kept explosives and thereby seize and store such explosives in a lawful and safe  
19 manner.

20 (a) No warrant pursuant to this section shall be issued unless the commissioner or  
21 his authorized representative has made arrangements with public or private  
22 sources for the lawful and safe storage of the explosives to be seized.

23 (b) No warrant pursuant to this section shall be issued upon an affidavit that does  
24 not aver that an arrangement has been made between the commissioner or his  
25 authorized representative and public or private sources for the lawful and safe  
26 storage of the explosives to be seized.

27 (c) No warrant pursuant to this section shall be issued upon an affidavit that does

1 not specifically state the place in which the explosives are to be stored in  
2 terms of city, county, street address, and name of person, company, or agency  
3 accepting the explosives for storage.

4 (d) Any owner or person entitled to lawful possession of explosives seized  
5 pursuant to this section shall be entitled to recovery of the seized explosives  
6 upon written or verbal notification to the commissioner or his authorized  
7 representative stating his capability to lawfully and safely store the seized  
8 explosives, and upon an inspection by the commissioner or his representative  
9 of his storage facilities and methods that reveals his capability to lawfully and  
10 safely store the explosives.

11 (e) The commissioner or his authorized representative shall make the inspection  
12 within five (5) days of receipt of said notification.

13 (f) If the commissioner or his authorized representative receive no  
14 communication from the owner or person entitled to lawful possession of the  
15 seized explosives within thirty (30) days after the seizure of such explosives,  
16 then the commissioner or his authorized representative may dispose of the  
17 seized explosives in a safe and lawful manner.

18 ➔Section 282. KRS 362.1-122 is amended to read as follows:

19 (1) The Secretary of State may commence a proceeding to administratively dissolve a  
20 statement of qualification if:

21 (a) The limited liability partnership does not deliver its annual report with the  
22 Secretary of State on or before the due date;

23 (b) The limited liability partnership is without a registered agent or registered  
24 office in this Commonwealth for sixty (60) days or more; or

25 (c) The limited liability partnership does not notify the Secretary of State within  
26 sixty (60) days that its registered agent or registered office has been changed,  
27 that its registered agent has resigned, or that its registered office has been

1           discontinued.

2       (2) If the Secretary of State determines that one (1) or more grounds exist under  
3       subsection (1) of this section for the administrative dissolution of a statement of  
4       qualification, then the Secretary of State shall serve the partnership with written  
5       notice of the determination by mailing such notice by first class mail to the limited  
6       liability partnership at the street address of the partnership's chief executive office  
7       as set forth in the partnership's most recent annual report filed pursuant to KRS  
8       362.1-121 or, if none, that set forth in the statement of partnership qualification  
9       filed pursuant to KRS 14A.6-010 or the statement of foreign qualification filed by a  
10      foreign limited liability partnership pursuant to KRS 362.1-951.

11      (3) If the limited liability partnership does not correct each ground for dissolution or  
12      demonstrate to the reasonable satisfaction of the Secretary of State that each ground  
13      determined by the Secretary of State does not exist within sixty (60) days from the  
14      date on which the notice was mailed, then the Secretary of State shall  
15      administratively dissolve the statement of qualification by signing a certificate of  
16      dissolution that recites the ground or grounds for dissolution and its effective date.  
17      The Secretary of State shall file the original certificate and serve a copy on the  
18      limited liability partnership by mailing such certificate by first class mail to the  
19      partnership at its chief executive office address. The administrative dissolution of a  
20      statement of qualification shall not terminate the authority of the registered agent of  
21      the partnership.

22      (4) The administrative dissolution of a statement of qualification affects only the  
23      partnership's status as a limited liability partnership and is not an event of  
24      dissolution of the partnership.

25      (5) The partnership whose statement of qualification has been administratively  
26      dissolved may apply to the Secretary of State for reinstatement of the statement at  
27      any time after the effective date of the dissolution by filing an application that:

- 1 (a) Recites the name of the partnership, identifies the statement that was  
2 administratively dissolved and the effective date of that administrative  
3 dissolution;
- 4 (b) States that the ground or grounds for dissolution either did not exist or have  
5 been eliminated;
- 6 (c) States that the name of the partnership satisfies the requirements of KRS  
7 14A.3-010; and
- 8 (d) Is accompanied by the reinstatement penalty and the current fee for filing each  
9 delinquent annual report.
- 10 (6) If the Secretary of State determines that the application contains the information  
11 required by subsection (5) of this section and that the information provided therein  
12 is correct, then the Secretary of State shall cancel the certificate of administrative  
13 dissolution and prepare a certificate reciting the cancellation of the administrative  
14 dissolution and the effective date thereof, file the original of the certificate, and  
15 serve a copy on the partnership by mailing the certificate by first class mail to the  
16 partnership at its chief executive office address. When the revocation of the  
17 administrative dissolution is effective, it shall relate back to and take effect as of the  
18 effective date of the administrative dissolution, and the statement or statements  
19 shall be in full force and effect as if the administrative dissolution had never  
20 occurred.
- 21 (7) If the Secretary of State denies a partnership's application for reinstatement of its  
22 statement of qualification following administrative dissolution, then the Secretary of  
23 State shall serve the partnership with written notice that explains the reason or  
24 reasons for denial by mailing the notice by first class mail to the partnership at its  
25 chief executive office address. The partnership may appeal the denial of  
26 reinstatement to the Franklin Circuit Court, or the Circuit Court of the county  
27 where the partnership is located, or, if there is a qualifying Kentucky county, then

1        *the Circuit Court of any county where the Secretary of State maintains an office,*  
2        within thirty (30) days after the service of the notice of the denial transmitted to the  
3        partnership. The partnership may appeal by petitioning the court to set aside the  
4        administrative dissolution and attaching to the petition copies of the Secretary of  
5        State's certificate of administrative dissolution, the partnership's application for  
6        reinstatement, and the Secretary of State's notice of denial. The court may  
7        summarily order the Secretary of State to reinstate the statement of qualification or  
8        may take any other action the court considers appropriate. The court's final decision  
9        may be appealed as in any other civil proceedings.

10       ➔Section 283. KRS 362.1-803 is amended to read as follows:

- 11       (1) After dissolution, a partner who has not wrongfully dissociated may participate in  
12       winding up the partnership's business, but on application of any partner, partner's  
13       legal representative, or transferee, the Circuit Court for the county in which the  
14       registered office is located or, if none, the Franklin Circuit Court *or the Circuit*  
15       *Court of any county where the Secretary of State maintains an office,* for good  
16       cause shown, may order judicial supervision of the winding up.
- 17       (2) The legal representative of the last surviving partner may wind up a partnership's  
18       business.
- 19       (3) A person winding up a partnership's business may preserve the partnership business  
20       or property as a going concern for a reasonable time, prosecute and defend actions  
21       and proceedings, whether civil, criminal, or administrative, settle and close the  
22       partnership's business, dispose of and transfer the partnership's property, discharge  
23       the partnership's liabilities, distribute the assets of the partnership pursuant to KRS  
24       362.1-807, settle disputes by mediation or arbitration, and perform other necessary  
25       acts.

26       ➔Section 284. KRS 365.573 is amended to read as follows:

- 27       (1) Upon the filing of an application for registration and payment of the application fee

1           prescribed in KRS 365.571, the Secretary may cause the application to be examined  
2           for conformity with KRS 365.561 to 365.613.

3       (2) The applicant shall provide any additional pertinent information requested by the  
4       Secretary, including a description of the design mark, and may make, or authorize  
5       the Secretary to make any amendments to the application as are reasonably  
6       requested by the Secretary, or deemed advisable by the applicant to respond to any  
7       rejection or objection.

8       (3) The Secretary may require the applicant to disclaim exclusive rights in an  
9       unregistrable component of a mark otherwise registrable, and an applicant may  
10      voluntarily disclaim a component of a mark sought to be registered. No disclaimer  
11      shall prejudice or affect the applicant's or registrant's rights then existing or  
12      thereafter arising in the disclaimed matter, or the applicant's or registrant's rights of  
13      registration under another application if the disclaimed matter has become  
14      distinctive of the applicant's or registrant's goods or services.

15      (4) The Secretary may amend the application with the applicant's agreement or may  
16      require a substitute application to be submitted.

17      (5) The Secretary shall advise the applicant if he is not entitled to registration and state  
18      the reasons for the decision. The applicant shall have a reasonable period of time as  
19      set out in administrative regulations promulgated by the Secretary, in which to reply  
20      to or amend the application, in which event the application shall then be  
21      reexamined. This procedure may be repeated until:

22           (a) The Secretary finally refuses registration of the mark; or

23           (b) The applicant fails to reply to or amend the application within the specified  
24           period, whereupon the application shall be deemed to have been withdrawn.

25      (6) If the Secretary finally refuses registration of the mark, the applicant may appeal the  
26      decision to the Franklin Circuit Court or the Circuit Court of the county where the  
27      applicant resides or has a principal place of business. The court may summarily

1 order the Secretary to register the mark on proof that all the statements in the  
2 application are true and that the mark is otherwise entitled to registration. The  
3 Secretary of State shall not be liable for any court costs. The court's final decision  
4 may be appealed as in other civil proceedings.

5 (7) If two (2) or more applications are concurrently being processed by the Secretary  
6 seeking registration of the same or confusingly similar marks for the same or related  
7 goods or services, the Secretary shall grant priority to the applications in the order  
8 of filing. If a prior-filed application is granted a registration, the other applications  
9 shall then be rejected. Any rejected applicant may bring an action for cancellation of  
10 the registration on grounds of prior or superior rights to the mark, in accordance  
11 with the provisions of KRS 365.591.

12 ➔Section 285. KRS 365.607 is amended to read as follows:

13 (1) Actions to require cancellation of a mark registered pursuant to KRS 365.561 to  
14 365.613 or to compel registration of a mark pursuant to KRS 365.561 to 365.613  
15 shall be brought in the ~~Franklin~~ Circuit Court **of the county where the mark is to**  
16 **be registered**. In an action to compel registration, the proceeding shall be based  
17 solely upon the record before the Secretary. In an action for cancellation, the  
18 Secretary shall not be made a party to the proceeding but shall be notified of the  
19 filing of the complaint by the clerk of the ~~Franklin~~ Circuit Court and shall be  
20 given the right to intervene in the action.

21 (2) In any action brought against a nonresident registrant, service may be effected upon  
22 the Secretary as agent for service of the registrant in accordance with the procedures  
23 established for service upon nonresident corporations and business entities under  
24 KRS 454.210(3).

25 ➔Section 286. KRS 367.656 is amended to read as follows:

26 (1) (a) A filing pursuant to KRS 367.653 and this section shall be accepted unless the  
27 Attorney General notifies the professional solicitor or fundraising consultant

1 otherwise, within fourteen (14) calendar days of the receipt of filing. If a filing  
2 is not accepted, the Attorney General shall notify the affected charity at the  
3 time of rejection. Within seven (7) calendar days after receiving a notice that  
4 the filing requirements are not satisfied, the professional solicitor or  
5 fundraising consultant may request a hearing. The hearing shall be held in  
6 accordance with KRS Chapter 13B.

7 (b) A professional solicitor or fundraising consultant may submit an amended  
8 filing upon receiving notice that his prior filing has not been accepted.

9 (2) The Attorney General may revoke, suspend, or refuse to renew the registration of a  
10 professional solicitor or fundraising consultant if:

11 (a) He has violated any provision of KRS 367.650 to 367.670 or any  
12 administrative regulations promulgated by the Attorney General pursuant to  
13 those sections;

14 (b) He or any of his principal officers have refused or failed, after notice, to  
15 produce any records or disclose any information required pursuant to KRS  
16 367.650 to 367.670, or any administrative regulations promulgated by the  
17 Attorney General pursuant to those sections.

18 (c) He has made a material false statement in an application, statement, or report  
19 required to be filed under KRS 367.650 to 367.670.

20 (3) Any party to a hearing who is aggrieved by the final order may seek judicial review  
21 by filing an appeal in the Franklin Circuit Court *or the Circuit Court of the county*  
22 *where the party resides* in accordance with KRS Chapter 13B.

23 (4) The Attorney General may bring a civil action directly in the Franklin Circuit Court  
24 or in the Circuit Court of any county in which the fundraising campaign involving  
25 the professional solicitor or fundraising consultant is being conducted to revoke or  
26 suspend the registration statement for any of the grounds set forth in this section.

27 ➔Section 287. KRS 367.690 is amended to read as follows:

- 1 (1) Any person who dispenses, offers to dispense, or attempts to dispense contact lenses  
2 in violation of KRS 367.680 to 367.690 or the administrative regulations  
3 promulgated by the Attorney General concerning the dispensing of contact lenses  
4 shall, in addition to any other penalty provided by law, pay a civil penalty to the  
5 office of the Attorney General in an amount not to exceed five thousand dollars  
6 (\$5,000) for each violation.
- 7 (2) Any person charged in a complaint filed by the Attorney General with violating any  
8 of the provisions of KRS 367.680 to 367.690 shall be entitled to an administrative  
9 hearing conducted in accordance with the provisions of KRS Chapter 13B.
- 10 (3) Any person aggrieved by a final order issued under the authority of this section shall  
11 have the right of an appeal by filing a petition with the Franklin Circuit Court or the  
12 Circuit Court of any county where the person resides or conducts business in  
13 accordance with KRS Chapter 13B.

14 ➔Section 288. KRS 367.973 is amended to read as follows:

- 15 (1) The Attorney General may deny, suspend, or revoke any license granted under KRS  
16 367.940 or levy civil penalties not to exceed five hundred dollars (\$500) or both or  
17 place the licensee on probation for up to twelve (12) months for any of the  
18 following causes:
- 19 (a) Obtaining a license through false statement or misrepresentation;
- 20 (b) Conducting, or undertaking a substantial step toward conducting his business  
21 in an unfair, false, misleading, or deceptive manner;
- 22 (c) Entry of a final civil judgment against the licensee for a violation of KRS  
23 367.934 to 367.974, or for entry of a final judgment of conviction for a  
24 violation of KRS 367.991;
- 25 (d) Entry of a final judgment of conviction against the licensee for any crime  
26 involving moral turpitude; or
- 27 (e) Violating any of the provisions of KRS 367.932 to 367.974 or any lawful

1 order or administrative regulation made or promulgated under KRS 367.932  
2 to 367.974.

3 (2) The Attorney General shall, before denying, suspending, or revoking a license or  
4 imposing fines, file a complaint alleging the grounds upon which the licensee may  
5 have his license denied, revoked, or suspended or have fines imposed. A copy of the  
6 complaint, together with any exhibits, shall be served upon the defendant licensee at  
7 the licensee's last known address. The complainant shall show certification that  
8 there has been service by writing to the last known address. The answer shall be  
9 returned to the Attorney General's office within twenty (20) days of receipt of the  
10 complaint by the defendant licensee. Upon receipt of an answer to a complaint, an  
11 administrative hearing shall be conducted in accordance with KRS Chapter 13B.

12 (3) Any person aggrieved by a final order issued under authority of this section shall  
13 have the right of an appeal by filing a petition with the Franklin Circuit Court *or the*  
14 *Circuit Court of the county where the person resides* in accordance with KRS  
15 Chapter 13B.

16 ➔Section 289. KRS 367.97534 is amended to read as follows:

17 (1) The Attorney General may deny, suspend, or revoke any license granted under KRS  
18 367.97504 or levy civil penalties not to exceed five hundred dollars (\$500), or both,  
19 or place the licensee on probation for up to twelve (12) months for any of the  
20 following causes:

- 21 (a) Obtaining a license through false statement or misrepresentation;
- 22 (b) Conducting or undertaking business in an unfair, false, misleading, or  
23 deceptive manner;
- 24 (c) Entry of a final judgment or conviction for any crime involving moral  
25 turpitude; or
- 26 (d) Violating any of the provisions of KRS 367.97501 to 367.97537 or any  
27 administrative regulation promulgated or order made pursuant to KRS

1           367.97501 to 367.97537.

2       (2) The Attorney General shall, before denying, suspending, or revoking a license or  
3       imposing civil penalties, issue a complaint alleging the grounds upon which the  
4       licensee may have its license denied, revoked, or suspended, or have civil penalties  
5       imposed. A copy of the complaint, together with any exhibits, shall be served upon  
6       the defendant licensee at the licensee's last ~~known~~<sup>known</sup> address. The licensee  
7       shall file an answer with the Attorney General's office within twenty (20) days of  
8       receipt of the complaint. Upon receipt of an answer to a complaint, an  
9       administrative hearing shall be conducted in accordance with KRS Chapter 13B.

10      (3) Any party aggrieved by the final order of the Attorney General in denying,  
11      suspending, or revoking a license, or imposing civil penalties may appeal the final  
12      order to the Franklin Circuit Court or the Circuit Court of the county where the  
13      party resides in accordance with KRS Chapter 13B.

14      (4) All of the remedies, powers, and duties provided for the Attorney General by KRS  
15      376.190 to 367.300 and KRS 367.990 pertaining to acts declared unlawful by KRS  
16      367.170 shall apply with equal force and effect to violations of KRS 367.97501 to  
17      367.97537.

18      (5) Nothing in KRS 367.97501 to 367.97537 shall be construed to limit or restrict the  
19      exercise of powers or the performance of the duties of the Attorney General, which  
20      he is authorized to exercise or perform under any other provision of law including  
21      direct court action to obtain injunctive relief and revocation of license. The Attorney  
22      General has the authority to promulgate any administrative regulations necessary to  
23      carry out the provisions of KRS 367.97501 to 367.97537.

24      ➔Section 290. KRS 393.022 is amended to read as follows:

25      (1) As used in this section:

26          (a) "Book-entry bond" means a savings bond maintained by the United States  
27          Treasury in electronic or paperless form as a computer record;

- 1 (b) "Definitive bond" means a savings bond issued by the United States Treasury  
2 in paper form;
- 3 (c) "Final maturity" means the date a United States savings bond ceases to earn  
4 interest; and
- 5 (d) "United States savings bond" means a book-entry bond or definitive bond  
6 issued by the United States Treasury.
- 7 (2) This section shall apply to the escheat of United States savings bonds to the  
8 Commonwealth of Kentucky.
- 9 (3) A United States savings bond held or owing in this state by any person, or issued or  
10 owed in the course of a holder's business, or by a state or other government,  
11 governmental subdivision, agency, or instrumentality, and all proceeds thereof, shall  
12 be presumed abandoned in this state if:
- 13 (a) The last known address of the owner of the United States savings bond is in  
14 this state; and
- 15 (b) The United States savings bond has remained unclaimed and unredeemed for  
16 three (3) years after final maturity.
- 17 (4) United States savings bonds which are presumed abandoned under subsection (3) of  
18 this section shall escheat to the Commonwealth of Kentucky three (3) years after  
19 becoming abandoned property, and all property rights and legal title to and  
20 ownership of the United States savings bonds or proceeds from the bonds, including  
21 all rights, powers, and privileges of survivorship of any owner, co-owner, or  
22 beneficiary, shall vest solely in the Commonwealth of Kentucky according to the  
23 procedure set forth in subsections (5) to (8) of this section.
- 24 (5) If no claim has been filed in accordance with the provisions of this chapter, the  
25 department shall commence a civil action in any~~the Franklin~~ Circuit Court of  
26 competent jurisdiction for a determination that United States savings bonds have  
27 escheated to the Commonwealth of Kentucky and the Commonwealth of Kentucky

1 is the owner of the savings bonds.

2 (6) (a) The department shall provide notice of the action by publication in at least  
3 two (2) newspapers of statewide circulation in accordance with the provisions  
4 of KRS 424.110 to 424.215.

5 (b) The notice shall list all persons to be served and shall notify those persons  
6 that:

7 1. The person has been sued in a named court;

8 2. The person must answer the petition or other pleading or otherwise  
9 respond, on or before a specified date not less than fifty (50) days after  
10 the date the notice is first published; and

11 3. If the person does not answer or otherwise respond, the petition or other  
12 pleading shall be taken as true and judgment, the nature of which shall  
13 be stated, will be rendered accordingly.

14 (7) Prior to providing notice by publication as required by subsection (6) of this section,  
15 the Treasurer or his or her designee shall file with the court an affidavit stating all  
16 the following that apply:

17 (a) 1. The residences of all named persons sought to be served, if known;

18 2. The names of all persons whose residences are unknown after  
19 reasonable effort to ascertain them; and

20 3. The specific efforts made to ascertain the unknown residences;

21 (b) That the affiant has made a reasonable but unsuccessful effort to ascertain the  
22 names and residences of any persons sought to be served as unknown parties,  
23 and the specific efforts made to ascertain the names and residences;

24 (c) That the department is unable to obtain service of summons on the persons in  
25 the state; and

26 (d) That the case is one in which the department, with due diligence, is unable to  
27 serve summons on the person in this state and:

- 1           1. The case relates to personal property in this state, if any person has or  
2           claims an interest in the property; or  
3           2. In which the relief demanded consists wholly or partly in excluding the  
4           person from any interest in the property.

5 (8) If:

- 6           (a) No person files a claim or appears at the hearing to substantiate a claim; or  
7           (b) The court determines that a claimant is not entitled to the property claimed by  
8           the claimant;

9           then the court, if satisfied by the evidence that the department has substantially  
10          complied with the laws of the Commonwealth, shall enter a judgment that the  
11          subject United States savings bonds have escheated to the Commonwealth of  
12          Kentucky, and all property rights and legal title to and ownership of the United  
13          States savings bonds or proceeds from the bonds, including all rights, powers, and  
14          privileges of survivorship of any owner, co-owner, or beneficiary, shall vest solely  
15          in the Commonwealth of Kentucky.

16 (9) The department shall redeem the United States savings bonds escheated to the  
17          Commonwealth, and the proceeds from the redemption shall be deposited into a  
18          separate subsidiary account of the abandoned property fund.

19 (10) After a judgment of escheat has been entered pursuant to subsection (8) of this  
20          section, the Treasurer or his or her designee may, at his or her discretion, make full  
21          or partial payment of requests for the proceeds of United States savings bonds to  
22          persons to whom, in the opinion of the Treasurer or his or her designee, the  
23          Commonwealth should in fairness and equity allow payment.

24          ➔Section 291. KRS 393.082 is amended to read as follows:

25 (1) Unclaimed sums delivered to the Kentucky State Treasurer pursuant to KRS  
26          393.080(3) shall be placed in a special expendable trust fund established by the  
27          Kentucky Workers' Compensation Funding Commission. The Kentucky Workers'

1 Compensation Funding Commission shall establish a separate trust account with  
2 respect to each final determination or order providing for a refund that the Attorney  
3 General determines to have a reasonable relationship to the workers' compensation  
4 liability of a bankrupt employer.

5 (2) The commissioner of the Department of Workers' Claims shall be the administrator  
6 of the resulting trust fund established pursuant to this section. The commissioner or  
7 his or her designee shall be authorized to determine the value of all workers'  
8 compensation claims against the bankrupt employer and to prepare a comprehensive  
9 distribution plan. Eligible claimants may elect to participate in a comprehensive  
10 distribution plan in exchange for the release of all related claims against the  
11 Commonwealth and all of its cabinets, departments, offices, bureaus, agencies,  
12 officers, agents, and employees, with the exception of the special fund in the Labor  
13 Cabinet. A claimant shall agree as part of a release under this section not to file any  
14 future motions to reopen the named workers' compensation claim or claims, and not  
15 to file new claims with respect to the same injury or occupational disease.

16 (3) A comprehensive distribution plan for unclaimed utility refunds placed in a trust  
17 account pursuant to this section shall consist of the full payment of workers'  
18 compensation income benefits for eligible claimants until the fund is exhausted,  
19 subject to the exceptions noted in KRS 393.080 and this section, and may include  
20 lump-sum settlements in addition to biweekly payment plans. An initial distribution  
21 shall be made to eligible claimants after the commissioner of the Department of  
22 Workers' Claims, or the commissioner's designee, has made an initial determination  
23 of the number of eligible claimants, the amount of income benefits due, and the  
24 amount to be retained as a reserve for pending claims. The initial distribution shall  
25 include payment of all past due income benefits, without interest, for eligible  
26 claimants.

27 (4) Neither the special fund nor the uninsured employers' fund shall be considered to be

1 claimants for the purposes of this section. Medical and related benefits shall not be  
2 considered in the valuation of the claims unless the amount available in the trust  
3 fund clearly exceeds the estimated value of income benefits for all claims. If a  
4 workers' compensation surety bond, letter of credit, or other form of security for the  
5 payment of the workers' compensation liabilities of a bankrupt employer has been  
6 collected by the commissioner of the Department of Workers' Claims or the  
7 Workers' Compensation Board for distribution to claimants in a manner to be  
8 determined by court order, it may be assumed in the valuation of the claims in a  
9 comprehensive distribution plan that the security will be distributed by the court on  
10 a pro rata basis and an appropriate deduction may be taken.

11 (5) In preparing the valuation of claims for inclusion in a comprehensive distribution  
12 plan, the commissioner or the commissioner's designee shall deduct special fund  
13 payments. Settlement of a workers' compensation claim as part of a comprehensive  
14 distribution plan under this section shall not accelerate the date on which the special  
15 fund's liability becomes due.

16 (6) If the bankrupt employer ceased business operations at least three (3) years prior to  
17 establishment of a trust account pursuant to this section, only claimants who file  
18 workers' compensation claims within sixty (60) days of the establishment of the  
19 trust account or before shall be eligible to receive payments from the trust fund.

20 (7) All claimants shall cooperate with information requests from the Department of  
21 Workers' Claims concerning prior payments of workers' compensation benefits. The  
22 commissioner of the Department of Workers' Claims or his or her designee may  
23 subpoena witnesses, including present or past managers and officers of the bankrupt  
24 employer, and may conduct evidentiary hearings under oath relating to the past and  
25 present workers' compensation liabilities of the bankrupt employer or information  
26 relevant to unpaid workers' compensation benefits. Administrative subpoenas issued  
27 under the authority of the commissioner of the Department of Workers' Claims for

1           this purpose may be enforced in the Franklin Circuit Court or the Circuit Court of  
2           any county where a witness may be found.

3       (8) The Attorney General shall provide representation of the comprehensive  
4       distribution plan as a named defendant in the event the establishment of the trust  
5       fund is challenged.

6       (9) The provisions of KRS 393.080(3) or this section shall not be construed to  
7       constitute an admission of the validity of any workers' compensation claims, nor  
8       shall these provisions be interpreted in a manner that would transfer or create  
9       liability on behalf of the commissioner of the Department of Workers' Claims, any  
10      agency, or employee, beyond that expressly set forth in a comprehensive  
11      distribution plan.

12      (10) The special fund shall issue trust fund checks in the amounts and to the claimants or  
13      claimants' representatives as directed by the commissioner of the Department of  
14      Workers' Claims.

15      (11) The personnel and other costs of administering a trust fund established pursuant to  
16      this section shall be paid out of the investment income of the trust fund.

17      (12) Attorney fees shall be subject to the limitations and maximum amounts for the  
18      payment of attorney's fees established by KRS 342.320, as well as the approval of  
19      the commissioner or his or her designee.

20      (13) If a workers' compensation claimant elects not to participate in a comprehensive  
21      distribution plan proposed by the commissioner of the Department of Workers'  
22      Claims or the commissioner's designee, that claimant shall not be entitled to any  
23      portion of the utility refund for the payment of the workers' compensation benefits.  
24      A claimant shall have sixty (60) days following issuance of a comprehensive  
25      distribution plan in which to make an election to participate or not.

26      ➔Section 292. KRS 441.085 is amended to read as follows:

27      (1) No person responsible for the supervision or maintenance of a jail shall knowingly

1 cause or permit the facility to be operated in violation of the regulations and laws of  
2 this state pertaining to the health, safety, security, and operation of jails.

3 (2) When the department, pursuant to KRS 441.075, orders a county jailer, if it is  
4 determined he is responsible, or the fiscal court, to correct or eliminate a violation  
5 of any state regulation or law pertaining to the operations and maintenance of jails  
6 and the county jailer or fiscal court does not take corrective action to the satisfaction  
7 of the department within the time specified in the department's order, the  
8 commissioner of the department or his designee may request the ~~the Franklin County~~  
9 Circuit Court **in the county in which the jail is located** to enforce the orders of the  
10 department. Any person who refuses to obey the orders of the court shall be held in  
11 civil contempt.

12 ➔Section 293. KRS 441.095 is amended to read as follows:

13 Appeals from any order issued pursuant to KRS 441.055 to 441.065 shall be granted as a  
14 matter of right, and shall be taken to **any**~~the Franklin County~~ Circuit Court **of**  
15 **competent jurisdiction** within thirty (30) days from the date the order is issued by the  
16 department.

17 ➔Section 294. KRS 452.430 is amended to read as follows:

18 An action against the Kentucky Board of Education **shall**~~, of this state, must~~ be brought  
19 in the county **where the cause of action arose**~~that includes the seat of government~~.